

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

ORDINANCE NO. 2015-1335

AN ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2015A OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF LANCASTER COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$16,500,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY AUTHORIZED DESIGNEE 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; AND ADOPTING WRITTEN PROCEDURES RELATED TO TAX-EXEMPT DEBT AND WRITTEN PROCEDURES RELATED TO CONTINUING DISCLOSURE

Be it ordained by the Council of Lancaster County, South Carolina:

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 Ordinance, the meanings hereinafter specified, with the definitions equally applicable to both the singular and plural forms and vice versa. The term:

“2015A Bonds” shall mean the not to exceed \$16,500,000 general obligation bonds authorized herein, a portion of the proceeds of which will be used to fund the Bond-approved Projects.

“Beneficial Owner” shall mean any purchaser who acquires beneficial ownership interest in an Initial 2015A Bond held by the Depository. In determining any Beneficial Owner, the County, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the County, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any 2015A Bonds held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the 2015A Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the 2015A Bonds may be transferred only through a book-entry; and (b) physical 2015A Bonds certificates in fully registered form are registered only in the name of the Depository or its nominees as Holder, with the physical 2015A Bonds 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 2015A Bonds when subject to the Book-Entry System.

“Books of Registry” shall mean the registration books maintained by the Registrar in accordance with Section 5 hereof.

“Bond-approved Projects” shall mean \$12,000,000 for the roadway improvements and \$4,500,000 for the communications system.

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

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“Council” shall mean the County Council of Lancaster County, South Carolina.

“County” shall mean Lancaster County, South Carolina.

“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 2015A Bonds, and to effect transfers of the 2015A 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) prefunded municipal bonds which are rated in the triple A category by Moody’s Investors Service or Standard & Poor’s Rating Service; (8) general obligations of the State of South Carolina or any of its political units; or (9) any legally permissible combination of any of the foregoing. Government Obligations must be redeemable only at the option of holder thereof.

“Holders” shall mean the registered owner or owners of any outstanding 2015A Bonds.

“Initial 2015A Bonds” shall mean the 2015A Bonds initially issued in Book-Entry Form as provided in Section 14 hereof.

“Letter of Representations” shall mean the Letter of Representations executed and delivered by the County to the Depository.

“Ordinance” shall mean this Ordinance No. 2015-1335.

“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 the bank, trust company, depository or transfer agent or the County Treasurer designated as paying agent pursuant to this Ordinance.

“Projects” shall mean the projects identified in the successful capital projects sales tax re-imposition referendum held in the County on November 4, 2014.

“Record Date” shall mean the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on the 2015A Bonds or in the case of any proposed redemption of 2015A Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the giving of notice of redemption of 2015A Bonds.

“Registrar” shall mean the bank, trust company, depository or transfer agent or the County Treasurer designated as registrar pursuant to this Ordinance.

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

“State” shall mean the State of South Carolina.

SECTION 2. Findings and Determinations. The County Council hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended, and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina 1895 as amended (the “Constitution”) provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law within the limitations set forth therein and in Section 12 of Article X. Article X, Section 14 further provides that if general obligation debt is authorized by a majority vote of the qualified electors of a county voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in Article X.

(c) Pursuant to Title 4, Chapter 15 of the Code (the same being and hereinafter referred to as the “County Bond Act”), the governing bodies of the several counties of the State may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the Code of Laws of South Carolina 1976, as amended, provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) Pursuant to Ordinance No. 943 duly enacted by the Council on August 13, 2008 and a successful referendum held on November 4, 2008, the County imposed a one percent sales and use tax within the County for seven years commencing May 1, 2009 (the “Earlier Imposed Tax”).

(f) Pursuant to Ordinance No. 2014-1286 duly enacted by the Council on August 11, 2014 and a successful referendum (the “Referendum”) held in the County on November 4, 2014, the electors of the County voted in favor of the re-imposition of the Earlier Imposed Tax in the County (the “Re-imposed Tax”) for an additional seven (7) years to fund the Projects. The Re-imposed Tax will start immediately following the termination of the Earlier Imposed Tax. The Referendum permitted a portion of the Projects to be financed by the issuance of general obligation bonds of the County.

(g) In the Referendum, the following question was submitted to the qualified electors of the County:

Must a special one percent sales and use tax (the "Tax") be imposed in Lancaster County (the "County") for not more than seven (7) years from the date of imposition to raise the amounts specified for the following purposes and in order to pay the costs (including rights-of-way acquisition and architectural, engineering, legal, administrative costs, and related fees) of the projects described below; pending the receipt of such sales and use tax, must the County also be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds (the "Bonds") of the County in the aggregate principal amount of not exceeding \$16,500,000 to be paid from the sales and use tax to be received and pledge the sales and use tax to be received to the payment of the principal of and interest on the Bonds?

\$26,000,000 – Road improvements and resurfacing for roads owned by the County and roads owned by the South Carolina Department of Transportation;

\$7,500,000 – Acquisition and construction of a public safety and emergency services communications system;

\$8,000,000 – Constructing and equipping improvements to the library system; and

\$238,000 – Constructing and equipping a forensics crime laboratory facility for the County Sheriff's Department.

The proceeds of the Bonds will be expended as follows: \$12,000,000 for the roadway improvements and \$4,500,000 for the communications system. The proceeds of the Tax will be used to pay directly the cost of the portion of the projects not funded with 2015A Bond proceeds in the following priority: (1) forensics crime laboratory; (2) the completion of the communications system; (3) library system; and (4) remaining roadway improvements.

TOTAL COST OF ALL PROJECTS: \$41,738,000

The maximum amount of net proceeds of the Tax that will be pledged for and used for the payment of the principal of and interest on the Bonds must not exceed \$18,200,000.

CONDITIONS AND RESTRICTIONS ON THE USE OF SALES AND USE TAX REVENUE COLLECTED UNDER THE CAPITAL PROJECT SALES TAX ACT: The Tax shall be expended for design, engineering, construction or improvement of the capital projects listed above. Net proceeds of the Tax, if approved, must be expended for the purposes stated and in the priority listed. The expenditure of revenues from the Tax, if approved, shall be subject to acquisition of title, right-of-way, design and engineering considerations, environmental issues, the discovery of historic sites or endangered species, the receipt of necessary permits, funding of projects from other sources, bids in excess of project estimates, qualifications of bidders, cost overruns, exhaustion or insufficiency of Tax revenues to complete all projects in order and priority provided herein and other unforeseen circumstances and conditions. If Tax revenues are insufficient to fund completely all projects, the lowest priority project will not be fully funded.

INSTRUCTIONS TO VOTERS: All qualified electors of the County desiring to vote in favor of imposing the tax for the stated purposes and authorizing the issuance and sale of the Bonds in connection therewith as outlined above and subject to the limitations and conditions set forth above shall vote "YES" and all qualified electors opposed to imposing the tax and issuing the Bonds shall vote "NO."

YES []

NO []

The Referendum has been duly conducted and a majority of the qualified electors of the County voting in the Referendum voted in favor of the Capital Projects Sales Tax and the issuance and sale of the general obligation bonds.

(h) The issuance of the 2015A Bonds authorized by this Ordinance for the purposes of funding a portion of the Bond-approved Projects, and paying costs of issuance of the 2015A Bonds is necessary and in the best interest of the County and such 2015A Bonds will be issued for a corporate purpose and a public purpose of the County.

(i) The County Council has been advised by Bond Counsel that a best practice related to the issuance of tax-exempt bonds is for each issuer to have Written Procedures related to Tax-Exempt Debt and Continuing Disclosure.

SECTION 3. Authorization and Details of 2015A Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$16,500,000 aggregate principal amount of general obligation bonds of the County to be designated "16,500,000 (or such lesser amount issued) General Obligation Bonds (appropriate series designation), of Lancaster County, South Carolina" (the "2015A Bonds"), for the purpose set forth in Section 2(h) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees.

The 2015A Bonds shall be issued as fully registered bonds registrable as to principal and interest; shall be dated their date of delivery to the initial purchaser(s) thereof; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of 2015A Bonds maturing each year; shall be subject to redemption if such provision is in the best interest of the County; shall be numbered from R-1 upward; shall bear interest from their date payable at such times as hereinafter designated by the County Administrator and/or his lawfully-authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the County Administrator and/or his lawfully-authorized designee.

Regions Bank, Columbia, South Carolina, will serve as Registrar/Paying Agent for the 2015A Bonds.

SECTION 4. Delegation of Authority to Determine Certain Matters Relating to the 2015A Bonds. Without further authorization, the County Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to determine: (a) the par amount of the 2015A Bonds; (b) the maturity dates of the 2015A Bonds and the respective principal amounts maturing on such dates; (c) the interest payment dates of the 2015A Bonds; (d) redemption provisions, if any, for the 2015A Bonds; (e) the date and time of sale of the 2015A Bonds; (f) the authority to receive bids on behalf of the

County Council; (g) the authority to award the sale of the 2015A Bonds to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the 2015A Bonds; and (h) whether the 2015A Bonds should be sold together with general obligation refunding bonds to be issued by the County pursuant to separate ordinances.

After the sale of the 2015A Bonds, the County Administrator and/or his lawfully-authorized designee shall submit a written report to County Council setting forth the details of the 2015A Bonds as set forth in this paragraph.

SECTION 5. Registration, Transfer and Exchange of 2015A Bonds. The County shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the 2015A Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the 2015A Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each 2015A Bond shall be transferable only upon the registry books of the County, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, 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/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such 2015A Bond the Registrar/Paying Agent on behalf of the County shall issue in the name of the transferee a new fully registered 2015A Bond or 2015A Bonds, of the same aggregate principal amount, interest rate, and maturity as the surrendered Bond. Any 2015A Bond surrendered in exchange for a new registered 2015A Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The County and the Registrar/Paying Agent may deem or treat the person in whose name any fully registered 2015A Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such 2015A Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such 2015A Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such 2015A Bond to the extent of the sum or sums so paid, and neither the County nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring 2015A Bonds is exercised, the County shall execute and the Registrar/Paying Agent shall authenticate and deliver 2015A Bonds in accordance with the provisions of this Ordinance. Neither the County nor the Registrar/Paying Agent shall be obligated to make any such transfer of 2015A Bonds during the fifteen (15) days preceding an interest payment date on such 2015A Bonds.

SECTION 6. Record Date. The County hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of 2015A Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such 2015A Bond or in the case of any proposed redemption of 2015A Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the giving of notice of redemption of bonds.

SECTION 7. Mutilation, Loss, Theft or Destruction of 2015A Bonds. In case any 2015A 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 County 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 2015A 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 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 2015A Bond shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity in an amount as may be required by the laws of the State or such greater amount as may be required by the County and the Registrar. Any duplicate 2015A Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed 2015A Bond or in substitution for any allegedly lost, stolen or wholly destroyed 2015A Bond shall be entitled to the identical benefits under this Ordinance as was the original 2015A Bond in lieu of which such duplicate 2015A Bond is issued, and shall be entitled to equal and proportionate benefits with all the other 2015A Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate 2015A Bond shall be borne by the applicant therefor.

SECTION 8. Execution of 2015A Bonds. The 2015A Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chair of the County Council attested by the manual or facsimile signature of the Clerk to the County Council under a facsimile of the seal of the County impressed, imprinted or reproduced thereon; provided, however, the facsimile signatures appearing on the 2015A Bonds may not be those of the officers who are in office on the date of enactment of this Ordinance. The execution of the 2015A Bonds in such fashion shall be valid and effectual, notwithstanding any subsequent change in such offices. The 2015A Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each 2015A Bond shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 9. Form of 2015A Bonds. The 2015A Bonds and the certificate of authentication shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION 10. Security for 2015A Bonds. The full faith, credit, and taxing power of the County are hereby irrevocably pledged for the payment of the principal of and interest on the 2015A 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 County Auditor and collected by the County Treasurer, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the 2015A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor; provided however, the amount to be levied and collected will be offset by amounts on deposit from revenue collected from the Re-imposed Sales Tax.

The County Council shall give the County Auditor and County Treasurer written notice of the delivery of and payment for the 2015A Bonds and they are hereby directed to levy and collect annually, on all taxable property in the County, a tax, without limit, sufficient to pay the principal of and interest on the 2015A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor; provided however, the amount to be levied and collected will be offset by amounts on deposit from revenue collected from the Re-imposed Sales Tax.

SECTION 11. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the 2015A Bonds and this Ordinance, such notice in substantially the form attached hereto as Exhibit B, having been published in The Lancaster News, a newspaper of general circulation in the County, not less than 15 days prior to the date of such public hearing.

SECTION 12. Exemption from State Taxes. Both the principal of and interest on the 2015A Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code from all State, county, municipal, 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 13. Tax Covenants. The County hereby covenants and agrees with the Holders of the 2015A Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the 2015A 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 2015A Bonds. The County further covenants and agrees with the holders of the 2015A Bonds that no use of the proceeds of the 2015A Bonds shall be made which, if such use had been reasonably expected on the date of issue of the 2015A Bonds would have caused the 2015A Bonds to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the County hereby shall:

- (a) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the 2015A 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.

SECTION 14. Book-Entry System. The "Initial 2015A Bonds" will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York ("DTC"), and transfers of beneficial ownership of the Initial 2015A Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of 2015A Bonds of the same maturity or any integral multiple of \$5,000.

The Initial 2015A Bonds shall be issued in fully-registered form, one 2015A Bond for each of the maturities of the 2015A Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial 2015A Bonds becomes due, the Paying Agent, on behalf of the County, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the 2015A Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial 2015A Bonds or any portion thereof shall be sent to DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the 2015A Bonds, or (b) the County has advised DTC of its determination that DTC is incapable of discharging its duties, the County shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the County of the Initial 2015A Bonds together with an assignment duly executed by DTC, the County shall execute and deliver to the successor securities depository 2015A Bonds of the same principal amount, interest rate, and maturity registered in the name of such successor.

If the County is unable to retain a qualified successor to DTC or the County 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 2015A Bonds might be adversely affected if the book-entry system of transfer is continued

(the County 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 2015A Bonds by mailing an appropriate notice to DTC, upon receipt by the County of the Initial 2015A Bonds together with an assignment duly executed by DTC, the County shall execute, authenticate and deliver to the DTC participants 2015A Bonds in fully-registered form, in substantially the form set forth in Section 8 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the 2015A Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

SECTION 15. Sale of 2015A Bonds, Form of Notice of Sale. The 2015A Bonds shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully-authorized designee. A Notice of Sale in substantially the form set forth as Exhibit C attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

SECTION 16. Preliminary and Final Official Statement. The County Council hereby authorizes and directs the County Administrator and/or his lawfully-authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the 2015A Bonds together with the Notice of Sale. The County Council authorizes the County Administrator to designate the Preliminary Official Statement as "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The County Administrator and/or his lawfully-authorized designee are further authorized to see to the completion of the final form of the Official Statement upon the sale of the 2015A Bonds so that it may be provided to the purchaser of the 2015A Bonds.

SECTION 17. Filings with Central Repository. In compliance with Section 11-1-85, South Carolina Code of Laws 1976, as amended, the County covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of the annual financial report of the County within thirty (30) days from the County's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which adversely affects more than five (5%) percent of the revenues of the County or the County's tax base.

SECTION 18. Continuing Disclosure. In compliance with the Securities and Exchange County Rule 15c2-12 (the "Rule") the County covenants and agrees for the benefit of the holders from time to time of the 2015A Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Continuing Disclosure Certificate in substantially the form appearing as Exhibit D attached to this Ordinance. In the event of a failure of the County to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by this Ordinance.

The County hereby adopts the following procedures relating to continuing disclosure for the 2015A Bonds and all future publicly-traded debt:

a. The Chief Financial Officer or the equivalent thereto (the "CFO") of the County shall be responsible for compliance with these written procedures and for compliance with any continuing disclosure obligations undertaken by the County or imposed upon the County by state or federal law or regulations. The CFO is permitted to obtain the assistance of his or her staff and authorized to obtain professional assistance to cause this information to be compiled and provided, but the ultimate responsibility for the dissemination of the information will remain with the CFO.

b. The CFO shall acquire a clear understanding regarding the County's continuing disclosure obligations. Through participation in professional groups such as the South Carolina Government Finance Officers Association, the CFO shall participate in continuing education programs regarding continuing disclosure.

c. For each issuance of bonds that involves a continuing disclosure obligation, the CFO shall review such continuing disclosure undertaking and discuss with the County's bond counsel, financial advisor and underwriter, if any, prior to the execution of such continuing disclosure undertaking.

SECTION 19. Deposit and Use of Proceeds. The proceeds derived from the sale of the 2015A Bonds shall be deposited with the County Treasurer in a special fund and shall be applied solely to the purposes for which the 2015A Bonds have been issued, including payment of costs of issuance of the 2015A Bonds, except that any premium shall be placed in the sinking fund established for the 2015A Bonds.

SECTION 20. Defeasance. The obligations of the County under this Ordinance and the pledges, covenants and agreements of the County herein made or provided for, shall be fully discharged and satisfied as to any portion of the 2015A Bonds, and such 2015A Bond or 2015A Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such 2015A Bond or 2015A Bonds shall have been purchased by the County and surrendered to the County for cancellation or otherwise surrendered to the County or the Paying Agent and is canceled or subject to cancellation by the County or the Paying Agent; or

(b) payment of the principal of and interest on such 2015A Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with a corporate trustee in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations (hereinafter defined) 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 corporate trustee. At such time as the 2015A Bonds shall no longer be deemed to be outstanding hereunder, such 2015A Bonds shall cease to draw interest from the due 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 Ordinance.

"Government Obligations" shall mean any of the following:

(i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;

- (ii) non-callable, U. S. Treasury Securities - State and Local Government Series ("SLGS");
- (iii) general obligation bonds of the State, its institutions, agencies, school districts and political subdivisions, which, at the time of purchase, carry a AAA rating from Standard & Poor's or a Aaa rating from Moody's Investors Service; and
- (iv) a defeasance obligation as defined in Section 6-5-10 of the S.C. Code as such as may be amended from time to time.

(c) Such 2015A Bond or 2015A Bonds shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

SECTION 20. Written Procedures Related to Tax-Exempt Debt. The Board hereby approves the Written Procedures Related to Tax-Exempt Debt as attached hereto as Exhibit E.

SECTION 21. Declaration of Intent to Reimburse Certain Expenditures. The County Council hereby declares that this Ordinance shall constitute its declaration of official intent pursuant to Regulation § 1.150-2 to reimburse the County from the proceeds of tax-exempt debt in the form of general obligation bonds of the County to be issued pursuant to the Constitution, the County Bond Act and Title 11, Chapter 27, for expenditures with respect to the Bond-approved Projects (the "Expenditures"). The County anticipates incurring Expenditures with respect to the Bond-approved Projects prior to the issuance by the County of the 2015A Bonds. 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 the Project was placed in service, but in no event more than three (3) years after the original Expenditures. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one (1) year. The source of funds for the Expenditures with respect to the Project will be the County's general funds.

SECTION 22. Miscellaneous. The County Council hereby authorizes the County Administrator, Chair of the County Council, the Clerk to the County Council and County Attorney to execute such documents and instruments as necessary to effect the issuance of the 2015A Bonds. The County Council hereby retains McNair Law Firm, P.A., as bond counsel and Compass Municipal Advisors, LLC, as financial advisor, in connection with the issuance of the 2015A Bonds. The County Administrator is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

[Remainder Page Intentionally Left Blank]

All rules, regulations, resolutions, and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the 2015A Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its enactment.

Enacted this 23rd day of February, 2015.

LANCASTER COUNTY, SOUTH CAROLINA



Bob Bundy, Chair, County Council



Steve Harper, Secretary, County Council

ATTEST:



Debbie C. Hardin, Clerk to Council

Approved as to form:



County Attorney

Date of First Reading:	January 26, 2015
Date of Second Reading:	February 9, 2015
Date of Public Hearing:	February 23, 2015
Date of Third Reading:	February 23, 2015

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
LANCASTER COUNTY
GENERAL OBLIGATION BOND, SERIES 2015A

No. R-1

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED HOLDER:

PRINCIPAL AMOUNT: _____ (\$ _____) Dollars

KNOW ALL MEN BY THESE PRESENTS, that Lancaster County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the registered holder specified above, or registered assigns, the principal amount specified above on the maturity date specified above, upon presentation and surrender of this 2015A Bond at the principal office of _____, in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such principal amount from the date hereof at the rate per annum specified above until this 2015A Bond matures. Interest on this 2015A Bond is payable _____ 1, 20____, and semiannually on _____ 1 and _____ 1 of each year thereafter, until this 2015A Bond matures, and shall be payable by check or draft mailed to the person in whose name this 2015A Bond is registered on the registration books of the County maintained by the registrar, presently _____, in _____, _____ (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal of and interest on this 2015A 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 2015A Bond shall be paid by check or draft as set forth above.

This 2015A Bond shall not be entitled to any benefit under the Ordinance (hereafter defined), 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 hereof, both principal and interest, as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the County are irrevocably pledged and there shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this 2015A Bond as they respectively mature and to create such sinking fund as may be necessary therefor; provided however, the amount to be levied and collected will be offset by amounts on deposit from revenue collected from the Re-imposed Sales Tax.

This 2015A Bond is one of a series of 2015A Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, and rate of interest, aggregating _____ Dollars (\$ _____), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; the successful results of a referendum; and Ordinance No. _____ duly enacted by the County Council on _____, 2015.

[Redemption Provisions]

This 2015A Bond is transferable as provided in the Ordinance, only upon the books of the County 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 2015A 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 2015A Bond or 2015A Bonds of the same aggregate principal amount, interest rate redemption provisions, if any, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The County, the Registrar and the Paying Agent may deem and treat the person in whose name this 2015A 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 2015A Bond and the interest hereon are exempt from all State, county, municipal, 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.

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 2015A 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 County, 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 County sufficient to pay the principal of and interest on this 2015A Bond as the same shall respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, LANCASTER COUNTY, SOUTH CAROLINA, has caused this 2015A Bond to be signed with the manual or facsimile signature of the Chair of the County Council, attested by the manual or facsimile signature of the Clerk to the County Council and the seal of the County impressed, imprinted, or reproduced hereon.

LANCASTER COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)
ATTEST:

Clerk, County Council

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This bond is one of the 2015A Bonds described in the within mentioned Ordinance of Lancaster County, South Carolina.

_____ as Registrar

By: _____ Authorized Officer

The following abbreviations, when used in the inscription on the face of this 2015A 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

(State)

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

[FORM OF ASSIGNMENT]

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

_____ (Name and address of Transferee)

the within 2015A Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within 2015A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

(Authorizing Officer)

Signature(s) 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 this agreement this agreement must correspond with the name of the registered holder as it appears upon the face of the within 2015A Bond in every particular, without alteration or enlargement or any change whatever.

A copy of the final approving opinion to be rendered shall be attached to each 2015A Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the County with a manual or facsimile signature of the Clerk to the County Council. The certificate shall be in substantially the following form:

[FORM OF CERTIFICATE]

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete final approving opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, approving the issue of 2015A Bonds of which the within 2015A 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 2015A Bonds and a copy of which is on file with the County Council of Lancaster County, South Carolina.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Clerk, County Council

FORM OF NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Lancaster County, South Carolina (the "County"), in County Council Chambers located at 101 N. Main Street, Lancaster, South Carolina, at 6:00 p.m. or as soon thereafter as possible, on _____, 2015, or at such other location as proper notice on the main entrance to the said building might specify.

The purpose of the public hearing is to consider an Ordinance providing for the issuance and sale of General Obligation Bonds, Series 2015A, or such other appropriate series designation, of Lancaster County, South Carolina, in the principal amount of not exceeding \$16,500,000 (the "2015A Bonds"). The proceeds of the 2015A Bonds will be used for any one or more of the following purposes: (i) funding projects approved to be funded from bonds in the November 4, 2014, referendum (the "Referendum") held in the County; and (ii) paying the costs of issuance of the 2015A Bonds.

The full faith, credit, and taxing power of the County will be pledged for the payment of the principal of and interest on the 2015A Bonds and a tax, without limit, will be levied on and collected annually, in the same manner other County taxes are levied and collected, on all taxable property of the County sufficient to pay to principal of and interest on the 2015A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor; provided however, the amount to be levied and collected will be offset by amounts on deposit from revenue collected from the capital project sales tax which was re-imposed pursuant to the Referendum.

At the public hearing all taxpayers and residents of the County and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance and the issuance of the 2015A Bonds.

COUNTY COUNCIL OF LANCASTER COUNTY,
SOUTH CAROLINA

FORM OF OFFICIAL NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$ _____ GENERAL OBLIGATION BONDS, SERIES 2015A,
OF LANCASTER COUNTY, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed bids, facsimile bids and electronic bids will be received on behalf of Lancaster County, South Carolina (the "County"), in the offices of the County Administrator, Lancaster County Administration Building, 101 N. Main Street, Lancaster County, South Carolina, until 11:00 a.m. South Carolina time, on _____, _____, 2015, at which time said proposals will be publicly opened for the purchase of \$ _____ General Obligation Bonds, Series 2015A, of the County (the "2015A Bonds").

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ _____ General Obligation Bonds, Series 2015A, Lancaster County, South Carolina" and should be directed to the County Administrator at the address in the first paragraph hereof.

Facsimile Bids: The County will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the Bidder. The County 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 the County Administrator, fax number (803) _____.

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). 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, 2nd Floor, New York, New York 10018, Customer Support, telephone (212) 849-5021.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY FACSIMILE TRANSMISSION OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE COUNTY AT THE PLACE, DATE AND TIME APPOINTED, AND THE COUNTY 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 2015A Bonds: The 2015A Bonds will be issued in fully-registered form. One 2015A 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 2015A Bonds and each such 2015A Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the 2015A Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of 2015A Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the 2015A Bonds purchased. The winning bidder, as a condition to delivery

of the 2015A Bonds, will be required to deposit the 2015A Bond certificates representing each maturity with DTC.

The 2015A Bonds will be issued in fully-registered form registered as to principal and interest; will be dated _____, 2015; will be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of 2015A Bonds maturing in each year; and will mature serially in successive annual installments on _____ 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>
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*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. The County reserves the right, in its sole discretion, either to decrease or increase the principal amount of the 2015A Bonds maturing in any year (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 15% of the 2015A Bonds. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the 2015A Bonds. In order to calculate the yield on the 2015A Bonds for federal tax law purposes and as a condition precedent to the award of the 2015A Bonds, bidders must disclose to the County in connection with their respective bids the price (or yield to maturity) at which each maturity of the 2015A Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the 2015A Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the 2015A Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the 2015A Bonds offered, without taking into account any adjustment in the amount of the 2015A Bonds pursuant to this paragraph.

The 2015A Bonds will bear interest from the date thereof payable semiannually on _____ and _____ of each year, commencing _____, until they mature.

[Redemption Provisions]

Registrar/Paying Agent: Regions Bank, Columbia, South Carolina, is serving as Registrar/Paying Agent for the 2015A Bonds.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 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 Bonds of that maturity from their date to such maturity date. **A BID FOR LESS THAN ALL THE BONDS OR A BID AT A PRICE LESS THAN PAR WILL NOT BE CONSIDERED.**

Award of Bid. The 2015A Bonds will be awarded to the bidder or bidders offering to purchase the 2015A Bonds at the lowest true interest cost (TIC) to the County. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the 2015A

Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the 2015A Bonds, results in an amount equal to the price bid for the 2015A Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The County 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.

Security: The full faith, credit, and taxing power of the County are hereby irrevocably pledged for the payment of the principal of and interest on the 2015A Bonds as they respectively mature, and for the creation of such sinking fund as may be necessary therefor. There shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, an ad valorem tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the 2015A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor; provided however, the amount to be levied and collected will be offset by amounts on deposit from revenue collected from the Re-imposed Sales Tax.

Good Faith Deposit: No good faith deposit is required.

Bid Form: Proposals should be enclosed in a separate sealed envelope marked "Proposal for \$ _____ General Obligation Bonds, Series 2015A of Lancaster County, South Carolina" and should be directed to the County Administrator at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of 2015A Bonds supplied with the Official Statement.

Official Statement: Upon the award of the 2015A Bonds, the County will prepare an 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 2015A Bonds, the County will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the County all necessary pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the 2015A Bonds.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the County will undertake, pursuant to an ordinance and 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 County Council shall furnish upon delivery of the 2015A Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate of the County that no litigation is pending affecting the 2015A Bonds.

Certificate as to Issue Price: The successful bidder must provide a certificate to the County by the date of delivery of the 2015A Bonds, stating the initial reoffering price of the 2015A Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the 2015A 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.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be set forth on the 2015A Bonds, but neither the failure to print such numbers on any 2015A 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 2015A Bonds in accordance with the terms of its proposal. The CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the successful bidder.

Delivery: The 2015A Bonds will be delivered on or about _____, 2015, in New York, New York, at the expense of the County. The balance of the purchase price then due, including the amount of accrued interest, must be paid in federal funds or other immediately available funds.

Additional Information: The Preliminary Official Statement of the County with respect to the 2015A Bonds is available via the internet at officialstatements.compassmuni.com and will be furnished to any person interested in bidding for the 2015A Bonds upon request to McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, attention: Francenia B. Heizer, Esquire, telephone (803) 799-9800, e-mail: fheizer@mcnair.net. The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Notice of Sale as to the complete information concerning the 2015A Bonds. Persons seeking additional information should communicate with the County's Bond Counsel, Francenia B. Heizer, McNair Law Firm, P.A., Post Office Box 11390, Columbia, South Carolina 29211 fheizer@mcnair.net or with the County's Financial Advisor, Brian Nurick, Managing Director, Compass Municipal Advisors, LLC, 1219 Assembly Street, Suite 202, Columbia, South Carolina 29201; telephone (859) 368-9616, e-mail: brian.nurick@compassmuni.com.

LANCASTER COUNTY, SOUTH CAROLINA

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Lancaster County, South Carolina (the "County") in connection with the issuance of \$ _____ General Obligation Bonds, Series 2015A (the "2015A Bonds"). The 2015A Bonds are being issued pursuant to an Ordinance adopted by the County Council of the County (the "Council"). The County covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County 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 County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**2015A Bonds**" shall mean the \$ _____ General Obligation Bonds, Series 2015A, Lancaster County, South Carolina, dated _____, 2015.

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

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

"**Repository**" shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.

"**Participating Underwriter**" shall mean _____ and any other original underwriter of the 2015A Bonds required to comply with the Rule in connection with offering of the 2015A Bonds.

"**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.

SECTION 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 2016, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the County shall provide the Annual Report to the Dissemination Agent, if other than the County; 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 County may be included in such Annual Report in lieu thereof, and the County 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 Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report.

(b) If the County is unable to provide to the Repository an Annual Report by the date required in subsection (a), the County shall send a notice to the Municipal Securities Rulemaking Board 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 Repository; and

(2) if the Dissemination Agent is other than the County, file a report with the County and (if the Dissemination Agent is not the Registrar) the Registrar certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, 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 County's Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such 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 the financial information) applicable to governmental entities such as the County, and shall, in addition, contain or incorporate by reference the following:

- (a) County population for the preceding fiscal year;
- (b) Total anticipated state appropriations subject to withholding under Article X, Sec. 14, South Carolina Constitution for preceding fiscal year;
- (c) Outstanding general obligation indebtedness of the County;
- (d) Tax levy for County for preceding fiscal year;
- (e) Tax collections for County for preceding fiscal year; and
- (f) Ten largest taxpayers (including fee-in-lieu-of-tax) for County for preceding fiscal year.

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 County is an "obligated person" (as defined by the Rule), which have been filed with the Repository. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given, notice of the occurrence of any of the following events (the "Listed Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (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;
 - (8) Bond calls;
 - (9) Tender offers;
 - (10) Defeasances;
 - (11) Release, substitution, or sale of property securing repayment of the securities;
 - (12) Rating changes;
 - (13) Bankruptcy, insolvency, receivership or similar event of the County;
 - (14) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County 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;
 - (15) Appointment of a successor or additional trustee or the change of name of a trustee.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), or (15) above, the County shall as soon as possible determine if such event would be material under applicable federal securities laws. If the County determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the County 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 County obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) above, the County shall promptly, and no later than 10 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 2015A 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 County 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 County, 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 County.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the 2015A Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the County.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the County, 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.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Disclosure Certificate. If the County 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 Disclosure Certificate, the County shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the County, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, 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 County, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the County, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The provisions of this Section 11 shall apply if the Issuer is not the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County 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 County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2015A Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the 2015A Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate 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.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
County Administrator

Dated: _____, 2015

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of County: Lancaster County, South Carolina
Name of Bond Issue: \$_____ General Obligation Bonds, Series 2015A,
Lancaster County, South Carolina
Date of Issuance: _____, 2015

NOTICE IS HEREBY GIVEN that Lancaster County, South Carolina (the "County") has not provided an Annual Report with respect to the above-named 2015A Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate executed and delivered by the County as Dissemination Agent. The County has notified us in writing that the Annual Report will be filed by _____.

Dated: _____

LANCASTER COUNTY, SOUTH CAROLINA

LANCASTER COUNTY, SOUTH CAROLINA

WRITTEN PROCEDURES
Related to Tax-Exempt Debt

The Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder (the “Regulations”) impose certain requirements on tax-exempt bonds, including but not limited to, restrictions on the use of bond proceeds and bond-financed property, arbitrage yield restrictions, and the arbitrage rebate requirement. These requirements are generally applicable throughout the period that the bonds remain outstanding.

The September 2011 revision to the Form 8038-G, Information Return for Tax Exempt Governmental Obligations (“Form 8038-G”) requires the issuer to represent whether it has established written procedures to (a) monitor the requirements of Section 148 of the Code, including, but not limited to, the arbitrage rebate and arbitrage yield restriction requirements; and (b) ensure that any nonqualified bonds (within the meaning of Section 1.148-12(j) of the Regulations) are remediated in accordance with the Code and the Regulations.

In addition to the above-described Form 8038-G representations, Lancaster County, South Carolina (the “County”) has been advised that additional procedures are recommended in order for the County to document compliance with the applicable federal tax requirements. Actions pursuant to these procedures (collectively referred to as post-issuance tax compliance) are intended to assist the County in documenting compliance with the applicable federal tax requirements. Post-issuance tax compliance begins with the debt issuance process itself and includes a continuing focus on investments of bond proceeds and use of bond-financed property. Post issuance tax compliance requires identifying the responsible people and the applicable procedures.

References herein to a “bond” or to “bonds” shall apply to all forms of tax-exempt obligations including, but not limited to, lease/purchase agreements, bond anticipation notes, and tax anticipation notes.

Procedures

The County’s Finance Director (the “CFO”) is designated as being responsible for post-issuance tax compliance. The CFO may delegate to her staff or contract with independent contractors (such as an arbitrage/rebate consultant or a consulting engineer) responsibility for different aspects of post-issuance tax compliance. For example, coordinating and documenting the expenditure of bond proceeds on projects may be delegated to the consulting engineer. However, the CFO will be ultimately responsible for implementing the procedures described herein.

The County recognizes that that the County has issued tax-exempt debt prior to the adoption of these procedures. With respect to this prior issued debt, the CFO will take reasonable steps to collect and maintain appropriate documentation of compliance with these procedures. However, the County recognizes that such documentation may not exist with respect to some of the items enumerated in these procedures.

Issuance – The CFO will:

- (a) Confirm the filing of the Form 8038 or Form 8038-G (or applicable successor form) with Internal Revenue Service (“IRS”). Filing of the applicable Form 8038 is usually overseen by bond counsel at or soon after the closing of a bond issue.
- (b) Obtain and store the Transcript of Proceedings prepared by bond counsel (which typically includes the applicable Form 8038 and the Federal Tax Certificate containing the County’s expectations as of the date of issuance of the bond issue).

Recordkeeping – The CFO will:

- (a) Establish a plan for keeping relevant books and records as to the investment and the expenditure of bond proceeds.
- (b) Keep accurate records including:
 - Basic records relating to the bond transactions (including the trust indenture, loan agreements, and bond counsel opinion; see Transcript of Proceeding, above);
 - Documentation evidencing the expenditure of bond proceeds;
 - Documentation evidencing use of bond-financed property by public and private users (i.e., copies of management contracts, material power purchase contracts);
 - Documentation evidencing all sources of payment or security for the bonds; and
 - Documentation pertaining to any investment of bond proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- (c) Keep all records in a manner that ensures their complete access to the IRS so long as they are material. While this is typically accomplished through the maintenance of hard copies, records may be kept in an electronic format if certain requirements are satisfied, in accordance with the guidelines in Revenue Procedure 97-22, 1997-1 C.B. 652.
- (d) Keep the relevant records for each issue of bonds for as long as such issue of bonds is outstanding (including any bonds issued to refund such issue of bonds) plus three years after the final redemption date of the bonds.

Arbitrage Rebate and Arbitrage Yield Restriction – The CFO will:

- (a) Engage the services of an arbitrage/rebate consultant for assistance in compliance with arbitrage related issues. As of the date of the adoption of these procedures, the County has retained AMTEC Compliance as its arbitrage/rebate consultant.
- (b) Work with the County’s bond counsel, financial advisor and/or arbitrage/rebate consultant to monitor compliance with “temporary period exceptions” for expenditure of bond proceeds, typically three years for new money bonds, and provide for yield restriction of investments or “yield reduction payments” if exceptions are not satisfied.
- (c) Work with the County’s bond counsel and financial advisor to ensure investments acquired with bond proceeds are purchased at fair market value. This may include use of bidding procedures under the regulatory safe harbor (Section 1.148-5(d) of the Regulations).

- (d) Consult with the County's bond counsel prior to the creation of funds which would reasonably be expected to be used to pay debt service on tax-exempt bonds to determine in advance whether such funds must be invested at a restricted yield (i.e., yield restricted).
- (e) Consult with the County's bond counsel and financial advisor before engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap).
- (f) Consult with the County's bond counsel, financial advisor, and/or arbitrage/rebate consultant to identify situations in which compliance with applicable yield restrictions depends upon subsequent investments (e.g., purchase of 0% SLGS from U.S. Treasury) and monitor implementation.
- (g) Work with the County's arbitrage/rebate consultant to arrange for timely computation of rebate/yield reduction payment liability and, if an amount is payable, for timely filing of Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (or applicable successor form), and payment of such liability. Rebate/Yield Reduction payments are ordinarily due at 5-year intervals.

Private Use of Refunding Bond-Financed Facilities - The CFO will:

- (a) Create and maintain records of which proceeds of bond issues were used to finance which facilities. These records shall incorporate the refunding or partial refunding of any bond issues.
- (b) Record the allocation of bond proceeds to expenditures, including reimbursements. These records will be consistent with the expenditures used for arbitrage purposes.
- (c) Record the allocation of bond proceeds and funds from other sources in connection with any bond funded project. Review expenditure of bond proceeds with bond counsel and/or consulting engineer to ensure bond proceeds are used for qualifying costs.
- (d) Review with bond counsel prior to the sale or lease of a bond-financed facility, or the granting of a license or management contract, or any other arrangement allowing private use of a bond financed facility, the terms of such arrangement.
- (e) Keep records of private use, if any, of bond-financed facilities to monitor the amount of private use of bond-financed facilities. Relevant to the County, private use generally includes: use of the proceeds of bonds or bond-financed facilities in any activity by a person or organization that is not (a) a state or local government; or (b) a natural person. Notwithstanding the preceding sentence, private business use generally does not include: (a) use as a member of the general public pursuant to arrangements with a term of less than 200 days; and (b) use by a nongovernmental person pursuant to an arrangement with a term of less than 50 days that is a result of arms-length negotiations and compensation payable under the arrangement is not less than fair market value.
- (f) Private use of bond-financed facilities shall be reviewed once a year (in connection with the preparation of the annual financial statements). If private use occurs, bond counsel will be consulted to determine if remedial action is necessary (including but not included to, the remediation of all non-qualified bonds in accordance with Section 1.14-12 of the Regulations).

Reissuance – The CFO will:

- (a) Consult with bond counsel to identify any post-issuance modification to the terms of bonds which could be treated as a current refunding of “old” bonds by “new” bonds, often referred to as a “reissuance.”
- (b) Consult with bond counsel to determine whether any “remedial action” (see item (f) under “Private Use of Refunding Bond-Financed Facilities” above) in connection with private use must be treated as a “reissuance.”