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THE SCHOOL DISTRICT OF LANCASTER COUNTY, SOUTH CAROLINA

A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$25,000,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, IN ONE OR MORE YEARS, WITH APPROPRIATE SERIES DESIGNATIONS, INCLUDING A TAX-EXEMPT SERIES AND A TAXABLE SERIES, IF APPROPRIATE, OF THE SCHOOL DISTRICT OF LANCASTER COUNTY, SOUTH CAROLINA; AUTHORIZING THE SOUTH CAROLINA ASSOCIATION OF GOVERNMENTAL ORGANIZATIONS TO FACILITATE THE SALE OF THE BONDS UNDER ITS GENERAL OBLIGATION DEBT PROGRAM; PRESCRIBING THE TERMS AND CONDITIONS UNDER WHICH THE BONDS MAY BE ISSUED; AUTHORIZING THE SUPERINTENDENT OF THE SCHOOL DISTRICT TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; ADOPTING WRITTEN PROCEDURES RELATED TO TAX-EXEMPT DEBT AND OTHER MATTERS RELATING THERETO.

Adopted: March 21, 2023

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BE IT RESOLVED, BY THE BOARD OF TRUSTEES OF THE SCHOOL DISTRICT OF LANCASTER 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 The School District of Lancaster County, South Carolina.

“Bond Act” shall mean Title 59, Chapter 71, Article 1, and Section 11-27-50 of the S.C. Code.

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

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

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

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

“Facilities Agreement” shall mean the School Facilities Purchase and Occupancy Agreement between the School District and Lancaster Educational Assistance Program, Inc. (“the Corporation”) dated as of November 1, 2004, as amended by the Amendment to Base Lease Agreement and School Facilities Purchase and Occupancy Agreement dated as of December 31, 2004, the Second Amendment to Base Lease Agreement and School Facilities Purchase and Occupancy Agreement dated as of March 21, 2007, the Third Amendment to Base Lease Agreement and School Facilities Purchase and Occupancy Agreement dated as of March 21, 2007, the Fourth Amendment to Base Lease Agreement and School Facilities Purchase and Occupancy Agreement dated as of October 17, 2012, and the Fifth Amendment to School Facilities Purchase and Occupancy Agreement dated as of May 17, 2013 between the Corporation and the School District.

“IPRB Acquisition Payments” shall mean the Acquisition Payments as defined in the Facilities Agreement and including Base Payments and Additional Payments.

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

“Paying Agent” shall mean the School District or such other entity named in the Bonds.

“Registrar” shall mean the School District or such other entity named in the Bonds.

“Resolution” shall mean this Resolution.

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

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

“SCAGO Trust Agreement” shall mean the Master Trust Indenture by and between SCAGO and Regions Bank, or such other bank named therein, as trustee, dated as of a date to be determined by the parties thereto pursuant to which the SCAGO Certificates will be issued.

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

“School District” shall mean The School District of Lancaster County, South Carolina.

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

“State” shall mean the State of South Carolina.

“Taxable Bonds” shall mean that portion of the Bonds authorized and issued hereunder, the interest on which is includable in the gross income of the bondholders thereof for federal income tax purposes pursuant to the provisions of the IRC and the regulations promulgated thereunder in effect on the date of original issuance of the Bonds.

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

SECTION 2. Findings and Determinations. The Board hereby finds and determines:

(a) The School District was created pursuant to Act No. 813 (1952 Acts), and pursuant to Act No. 777 (1988 Acts), all functions and powers are vested in the Board.

(b) Article X, Section 15, of the Constitution of the State of South Carolina, 1895, as amended (the “Constitution”), provides that after November 30, 1982, the governing body of any school district may incur general obligation debt in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such school district and upon such terms and conditions as the General Assembly may prescribe.

(c) The Bond Act provides that the board of trustees of any school district may issue general obligation bonds of such school district for the purpose of defraying the cost of “capital improvements” (as defined therein) to any amount not exceeding the constitutional debt limitation applicable to such school district. The Bond Act requires that the county board of education wherein the school district is located, if there is such, approve the issuance of such general obligation bonds.

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

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

(f) The School District previously has entered into the Facilities Agreement with the Corporation pursuant to which the Corporation agreed to sell the New Facilities (as defined in the Facilities Agreement) to the School District upon payment by the School District of IPRB Acquisition Payments. Such IPRB Acquisition Payments are payable on or before the 15<sup>th</sup> day prior to each June 1 and December 1, and each IPRB Acquisition Payment is in consideration for the conveyance of title to the School District of an undivided interest in the New Facilities.

(g) The assessed value of all taxable property in the School District, as of June 30, 2022, is \$526,731,593. Eight (8%) percent of such sum is \$42,138,527. As of the date hereof, the School District has no outstanding general obligation debt subject to the limitation imposed by Article X, Section 15(6) of the Constitution. Thus, the School District may incur \$42,138,527 of general obligation debt within its applicable constitutional debt limitation.

(h) The Board has been advised by Bond Counsel that a best practice related to the issuance of tax-exempt debt is for each issuer to have Written Procedures Related to Tax-Exempt Debt.

(i) It is in the best interest of the School District to participate in the SCAGO GO Program and to provide for the issuance and sale of the Bonds of the School District pursuant to the aforesaid provisions of the Constitution and laws of the State in the aggregate principal amount of not exceeding \$25,000,000 for the purposes of providing funds to acquire school facilities, to fund capital projects (the "Projects"), and to pay costs of issuance of the Bonds; and to adopt Written Procedures Related to Tax-Exempt Debt.

SECTION 3. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$25,000,000 general obligation bonds of the School District to obtain funds for the purposes mentioned in Section 2(i) above, including any financial and legal fees relating thereto and other incidental costs of issuing the Bonds. The Bonds will be issued in one or more series, in one or more years, each with an appropriate series designation, and, if necessary, one or more of the series of Bonds may be designated as Taxable Bonds.

Each of the Bonds shall be issued as a single fully-registered bond; shall be dated as of the date on which each Bond is delivered to the initial purchaser thereof or such other date as the District Superintendent determines; shall be in denominations equal to the respective par amount of each Bond not exceeding \$25,000,000 in the aggregate; shall bear interest (calculated on the basis of a 360-day year comprising twelve 30-day months) from its respective date payable on the maturity date thereof, at the respective rate as may be determined by the District Superintendent at the time of the sale thereof; and shall mature on the respective date as determined by the District Superintendent.

Both the principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. The School District shall serve as Registrar and Paying Agent for the Bonds.

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

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

SECTION 6. Authorization to Sell General Obligation Bonds outside the SCAGO GO Program. The Board hereby delegates to the District Superintendent the authority to cause any series of Bonds authorized herein to be sold and issued outside the SCAGO GO Program. The District Superintendent, upon advice from Bond Counsel, is hereby authorized to approve the forms of such documents as shall be necessary to issue any series of Bonds as a separate stand-alone Bond. The Chair, Vice Chair, District Superintendent or other authorized officials of the School District are hereby authorized to execute and delivery the documents as approved by the District Superintendent.

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

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

The School District, as the Registrar and the Paying Agent, may deem or treat the person in whose name the fully-registered Bonds shall be registered upon the Books of Registry as the absolute owners of such Bonds, whether such Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bonds 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 Bonds to the extent of the sum or sums so paid, and the School District, as the Registrar and the Paying Agent, shall not be affected by any notice to the contrary. In all cases in which the privilege of transferring the Bonds is exercised, the School District shall execute and the School District, as Registrar shall authenticate and deliver the Bonds in accordance with the provisions of this Resolution. The School District, as the Registrar and the Paying Agent, shall not be obliged to make any such transfer of the Bond or Bonds during the fifteen (15) days preceding the maturity date on the Bond or Bonds.

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

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

The School District Representatives are further authorized and directed to deliver the respective Bonds upon the terms and conditions provided herein and under the SCAGO GO Program, to receive or cause to be received the proceeds of the sale of the respective Bonds, to execute and deliver such certificates and other closing documents and take such other action as may be necessary or appropriate in order to effectuate the proper issuance, sale and delivery of the respective Bonds.

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

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

The Notice of Sale shall be in substantially the form set forth as Exhibit B.

SECTION 11. Deposit and Use of Proceeds. (a) Upon the purchase and delivery of the GO Debt, at the direction of the County Treasurer, the amount of proceeds needed to make the IPRB Acquisition Payments under the Facilities Agreement shall be deposited with T.D. Bank, N.A. (the "Trustee") and held in the appropriate fund or account created pursuant to the Trust Agreement between Carolina First Bank ("CFB") and the Corporation dated as of November 1, 2004, as supplemented by a Supplemental Trust Agreement between the Corporation and the Trustee, as successor trustee to CFB, dated as of May 17, 2013. It shall be the duty of the Trustee to keep such proceeds invested and reinvested to the extent that it shall be practical in obligations of the United States or any agency thereof and to apply the principal and interest thereon solely for the purpose of making IPRB Acquisition Payments. A portion of the proceeds shall be deposited with the County Treasurer in a special fund to the credit of the School District and shall be used to pay the costs of issuance of the Bonds. The portion of the proceeds of the Bonds to be applied to costs of issuance may be paid as determined by a School District Representative.

(b) Upon the purchase and delivery of the GO Debt, the amount of proceeds not needed for the IPRB Acquisition Payments and costs of issuance derived from the sale of the GO Debt, if any, shall be deposited with the County Treasurer in a special fund to the credit of the School District and shall be applied solely to the purposes for which the GO Debt has been issued, including payment of costs of issuance or at the direction of the County Treasurer, the proceeds derived from the sale of the GO Debt, less costs of issuance, shall be deposited into an acquisition fund in the name of the School District to be known as "The School District of Lancaster County, South Carolina, General Obligation Bond, Series 2023 Acquisition

Fund (or such other appropriate designation)” (the “Acquisition Fund”), which shall be established under the SCAGO Trust Agreement. The School District may withdraw amounts from the Acquisition Fund on the date of delivery of the GO Debt and thereafter on any business day. “Business Day” shall mean any day except Saturday, Sunday or a holiday.

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

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

SECTION 12. Security. 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 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 Lancaster County Auditor (the “County Auditor”) and collected by the Lancaster County Treasurer (the “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 on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

SECTION 22. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the School District covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested: (a) a copy of the annual audit of the School District within thirty (30) days of the School District's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which, in the opinion of the School District, adversely affects more than five percent (5%) of the School District's revenue or its tax base.

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

SECTION 24. Written Procedures Related to Tax-Exempt Debt. The Board hereby approves the Written Procedures Related to Tax-Exempt Debt as attached hereto as Exhibit C.

SECTION 25. Authorization. The Chair of the Board, the Vice Chair of the Board, the Secretary of the Board, the District Superintendent and the Chief Financial Officer (or equivalent position) of the School District, are fully empowered and authorized to take such further action and to execute and deliver such additional documents and certificates as may be necessary to effect the issuance of the Bonds. The Board hereby retains Burr & Forman LLP, as Bond Counsel and Compass Municipal Advisors, LLC, as Financial Advisor with regard to the issuance of the Bonds. The District Superintendent is further authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

SECTION 26. Repeal of Conflicting Resolutions. All rules, policies, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed, and this Resolution shall take effect and be in full force from and after its adoption.

Adopted this 21st day of March, 2023.

THE SCHOOL DISTRICT OF LANCASTER  
COUNTY, SOUTH CAROLINA

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Chair, Board of Trustees

(SEAL)

ATTEST:

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Secretary, Board of Trustees

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
THE SCHOOL DISTRICT OF LANCASTER COUNTY  
[TAXABLE] GENERAL OBLIGATION BOND, SERIES \_\_\_\_\_

No. R-1

INTEREST RATE      MATURITY DATE      BOND PAYMENT DATE      ORIGINAL ISSUE DATE

PRINCIPAL AMOUNT:

REGISTERED HOLDER:      South Carolina Association of Governmental Organizations

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

The principal and interest on this Bond shall be paid to Regions Bank (the “Trustee”) under the Master Trust Indenture between the South Carolina Association of Governmental Organizations and the Trustee dated May 1, 2022 (the “SCAGO Trust Agreement”), on or before the bond payment date shown above.

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

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

This Bond is issued pursuant to and in accordance with Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"); Title 59, Chapter 71, Article 1, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and the Resolution.

This Bond is not subject to redemption prior to maturity.

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

Under the laws of the State of South Carolina (the "State"), 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 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; 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 on this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

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

THE SCHOOL DISTRICT OF LANCASTER  
COUNTY, SOUTH CAROLINA

\_\_\_\_\_  
Chair, Board of Trustees

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the bonds described in the within mentioned Resolution of The School District of Lancaster County, South Carolina.

THE SCHOOL DISTRICT OF LANCASTER COUNTY, SOUTH CAROLINA, as Registrar

By: \_\_\_\_\_  
Secretary, Board of Trustees

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN NET - as tenants by the entireties

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

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

under Uniform Gifts to Minors Act \_\_\_\_\_  
(state)

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

EXHIBIT B

FORM OF SUMMARY NOTICE OF SALE

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

[PRINCIPAL AMOUNTS AND NAMES OF  
PARTICIPATING SCHOOL DISTRICTS]

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

Sale Date: \_\_\_\_\_, 20\_\_

Sale Time: \_\_\_\_\_ a.m., South Carolina time

Certificates and Bonds Dated: \_\_\_\_\_, 20\_\_

Interest Payment: March \_\_, 20\_\_

Maturity: March \_\_, 20\_\_

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

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

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

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

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

For additional information, please contact the School Districts’ Bond Counsel, Francenia B. Heizer, Esquire, Burr & Forman LLP, telephone (803) 799-9800; e-mail: [fheizer@burr.com](mailto:fheizer@burr.com) or the School Districts’ Financial Advisor, Brian Nurick, Senior Managing Director, Compass Municipal Advisors, LLC, telephone (859) 368-9619, e-mail: [brian.nurick@compassmuni.com](mailto:brian.nurick@compassmuni.com).

\*Preliminary, subject to change.

## EXHIBIT C

### THE SCHOOL DISTRICT OF 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 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, The School District of Lancaster County, South Carolina (the “School District”) has been advised that additional procedures are recommended in order for the School District 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 School District 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 School District’s Chief Financial Officer or equivalent position (the “CFO”) is designated as being responsible for post-issuance tax compliance. The CFO may delegate to his 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 School District recognizes that that the School District 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 School District 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 School District'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 School District has retained AMTEC Compliance as its arbitrage/rebate consultant.
- (b) Work with the School District'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 School District'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 School District'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 School District’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 School District’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 School District’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 School District, 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.”