

STATE OF SOUTH CAROLINA

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LAURENS COUNTY

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ORDINANCE #667

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING SEVEN HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$775,000) GENERAL OBLIGATION BOND, SERIES 2008 OF LAURENS COUNTY, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

Laurens County, South Carolina

TABLE OF CONTENTS

ARTICLE I - FINDINGS OF FACT. 1

 SECTION 1.02 HOLDING OF PUBLIC HEARING AND NOTICE THEREOF. 4

ARTICLE II - DEFINITIONS AND AUTHORITY. 4

 SECTION 2.01 DEFINITIONS. 4

 SECTION 2.02 CONSTRUCTION. 6

ARTICLE III - ISSUANCE OF THE BOND..... 7

 SECTION 3.01 ORDERING THE ISSUANCE OF THE BOND..... 7

 SECTION 3.02 MATURITY SCHEDULE OF BOND. 7

 SECTION 3.03 MEDIUM OF PAYMENT; FORM AND DENOMINATION OF BOND; PLACE OF
 PAYMENT OF PRINCIPAL. 7

 SECTION 3.04 EXECUTION AND AUTHENTICATION..... 8

 SECTION 3.05 EXCHANGE OF THE BOND. 8

 SECTION 3.06 TRANSFERABILITY AND REGISTRY. 8

 SECTION 3.07 TRANSFER OF THE BOND..... 8

 SECTION 3.08 REGULATIONS WITH RESPECT TO EXCHANGES AND TRANSFERS. 9

 SECTION 3.09 MUTILATED, DESTROYED, LOST AND STOLEN BOND. 9

 SECTION 3.10 HOLDER AS OWNER OF BOND. 10

 SECTION 3.11 CANCELLATION OF THE BOND. 10

 SECTION 3.12 PAYMENTS DUE SATURDAYS, SUNDAYS AND HOLIDAYS. 10

 SECTION 3.13 TAX EXEMPTION IN SOUTH CAROLINA. 10

 SECTION 3.14 ORDER TO LEVY AD VALOREM TAXES TO PAY PRINCIPAL AND INTEREST
 OF BOND. 10

 SECTION 3.15 FORM OF BOND..... 11

ARTICLE IV - REDEMPTION OF BOND..... 12

 SECTION 4.01 REDEMPTION OF BOND. 12

ARTICLE V - SALE AND AWARD OF BOND. 13

 SECTION 5.01 SALE AND AWARD OF BOND. 13

ARTICLE VI - DISPOSITION OF PROCEEDS OF SALE OF BOND.....	14
SECTION 6.01 DISPOSITION OF BOND PROCEEDS INCLUDING TEMPORARY INVESTMENTS.	14
ARTICLE VII - DEFEASANCE OF BOND.....	15
SECTION 7.01 DISCHARGE OF ORDINANCE - WHERE AND HOW THE BOND IS DEEMED TO HAVE BEEN PAID AND DEFEASED.	15
ARTICLE VIII - CERTAIN TAX AND DISCLOSURE CONSIDERATIONS.	16
SECTION 8.01 COVENANTS TO COMPLY WITH REQUIREMENTS OF THE CODE.	16
SECTION 8.02 ABILITY TO MEET ARBITRAGE REQUIREMENTS.....	17
SECTION 8.03 CONTINUING DISCLOSURE.	17
SECTION 8.04 QUALIFIED TAX-EXEMPT OBLIGATION.....	17
ARTICLE IX – MISCELLANEOUS.....	18
SECTION 9.01 SAVINGS CLAUSE.	18
SECTION 9.02 SUCCESSORS.	18
SECTION 9.03 ORDINANCE TO CONSTITUTE CONTRACT.....	18
SECTION 9.04 FILING OF COPIES OF ORDINANCE.	18
SECTION 9.05 FURTHER ACTION BY OFFICERS OF COUNTY.	18
SECTION 9.06 NOTICE PURSUANT TO SECTION 11-27-40, PARAGRAPH 8 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976.	18
SECTION 9.07 EFFECTIVE DATE OF ORDINANCE.	19
 EXHIBIT A – FORM OF NOTICE OF PUBLIC HEARING	
EXHIBIT B – FORM OF BOND	
EXHIBIT C– FORM OF NOTICE PURSUANT TO SECTION 11-27-40	

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING SEVEN HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$775,000) GENERAL OBLIGATION BOND, SERIES 2008 OF LAURENS COUNTY, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO (the "*Ordinance*").

BE IT ORDAINED BY THE COUNTY COUNCIL OF LAURENS COUNTY, SOUTH CAROLINA, IN COUNCIL ASSEMBLED, AS FOLLOWS:

ARTICLE I

FINDINGS OF FACT.

Section 1.01

As an incident to the adoption of this Ordinance, the County Council of Laurens County (the "*Council*"), the governing body of Laurens County, South Carolina (the "*County*"), finds that the facts set forth in this Article exist and the statements made with respect thereto are in all respects true and correct:

1. The County is a body politic and corporate of the State of South Carolina (the "*State*") and as such possesses all general powers granted to counties of the State.

2. Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "*Constitution*"), provides that counties may incur general obligation bonded indebtedness upon such terms and conditions as the General Assembly may prescribe by general law subject to the following limitations: (i) such debt must be incurred only for a purpose which is a public purpose and a corporate purpose of a county, and (ii) unless excepted therefrom, such debt may be issued in an amount not exceeding eight percent of the assessed value of all taxable property of such county (the "*Bonded Debt Limit*"). A certificate establishing that the principal amount of the Bond together with other outstanding general obligation bonds of the County are within the County's Bonded Debt Limit will be delivered at closing.

3. Pursuant to Chapter 15, Title 4, Code of Laws of South Carolina, 1976, as amended (the same being and hereinafter referred to as the "*County Bond Act*"), the governing body of any of the counties of the State may issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding such county's Bonded Debt Limit.

4. The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held with results favorable thereto. However, Chapter 27, Title 11, Code of Laws of South Carolina, 1976, as amended, (the "*Article X Enabling Act*") provides that if an

election be prescribed by the provisions of the County Bond Act, but is not required by the provisions of Article X, Section 14 of the Constitution, then in every such instance, no election need be held 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.

5. Pursuant to the provisions of Section 4-9-25, Code of Laws of South Carolina, 1976, as amended, the County is authorized to:

...enact regulations, resolutions, and ordinances, not inconsistent with the Constitution and general law of this State, including the exercise of powers in relation to health and order in counties or respecting any subject as appears to them necessary and proper for the security, general welfare, and convenience of counties or for preserving health, peace, order, and good government in them. The powers of a county must be liberally construed in favor of the county and the specific mention of particular powers may not be construed as limiting in any manner the general powers of counties.

6. Pursuant to the above-quoted provisions of law and the provisions of the County Bond Act, the County is authorized to issue general obligation debt to promote economic development within the County and pursuant to Section 4-9-41, Code of Laws of South Carolina, 1976, as amended, is authorized to assist an incorporated municipality within the County, such as the City of Clinton (the "City"), in carrying out its lawful functions, including economic development.

7. The Council, after due investigation and deliberation, has determined that it is necessary to issue, in an amount not exceeding \$775,000, a general obligation bond (the "Bond") of the County to acquire parcels of real property, pave and improve them and thereby provide public parking facilities in downtown Clinton to reduce traffic congestion and alleviate a parking shortage that is expected to result from a \$14 Million to \$20 Million economic development project located within the City, whereby a local college will acquire and redevelop a large, vacant institutional building in the downtown area of the City and convert it for use as a new School of Pharmacy. The foregoing acquisition of real property for parking facilities and the improvements thereon will be referred to as the "**Improvements**." The City will also invest approximately \$750,000 in economic development costs during the same time period.

8. In determining that the Bond should be issued and the proceeds expended for this economic development project, the Council makes the following findings:

a. Support of economic development is a valid public purpose of the County;

b. The proposed project involves the County's acquisition of a several parcels of land in the downtown area of the City which will be improved to provide paved and lighted parking facilities to accommodate those persons who travel to and from the downtown area and who need a place to park their vehicles during the work day, including but not limited to, those

persons who will work and study at the new School of Pharmacy being developed in downtown Clinton. Approximately 250 public parking spaces are planned for these properties.

c. The City has agreed to operate and maintain the parking facilities and the City and County will enter into a lease and/or operating agreement for that purpose. At all times the Improvements will be under the control and jurisdiction of a public entity, and used for public purposes.

d. Proceeds from this bond issue will directly support the creation of construction jobs and long term employment opportunities for employees working in the downtown area, and will help alleviate traffic congestion and a parking shortage caused by students and employees who might otherwise have to park on public streets.

e. The County has been advised that the total amount of money that will be obtained from private sources to fund the creation of the Pharmacy School is approximately \$14 Million over a six year period, plus \$4 Million to \$6 Million for building renovations. Thereafter, the annual operating budget of the school will support a number of jobs for local residents and the presence of approximately 300 additional students, many of who will have families, will have a substantial economic impact on the providers of goods and services throughout Laurens County.

f. The Improvements will involve the investment of approximately \$250,000 in acquisition costs of the land for the parking facilities, with the actual cost to be determined by independent appraisal, and the investment of approximately \$400,000 in the cost of paving, installing appropriate lighting and required landscaping.

g. Any funds from the bond issue not required for the acquisition and improvement of the parking facilities will be transferred to the City for its use in making infrastructure improvements to its utility system and other publically owned facilities to accommodate economic development in the downtown area.

h. The primary public purpose of this project is the promotion of economic development through (a) facilitating the creation of jobs during a \$14 Million to \$20 Million development project, including up to \$6 Million in construction work (b) revitalizing the downtown area of the City, (c) generating economic activity by the attraction of significant numbers of additional students, faculty and staff to the City and County, and (d) providing the availability of adequate parking facilities for those members of the public who will be working or studying in the downtown area, thereby alleviating traffic congestion and parking problems.

9. In connection therewith, the Council has determined to raise an amount not to exceed \$775,000 by the issuance of the Bond and to utilize the proceeds therefrom to finance the cost of the Improvements and defray the cost of issuance of such Bond.

Section 1.02 Holding of Public Hearing and Notice Thereof.

Pursuant to the provisions of Section 4-9-130 of the Code of Laws of South Carolina, 1976, as amended, a public hearing, after giving reasonable notice, is required to be conducted prior to the third and final of this Ordinance by Council. In accordance with this provision, a public hearing shall be conducted and due notice shall be provided all as required by said Section 4-9-130. The form of the notice to be published shall be substantially as set forth in Exhibit A attached hereto.

[End of Article I]

ARTICLE II

DEFINITIONS AND AUTHORITY.

Section 2.01 Definitions.

(1) As used in this Ordinance, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Authorized Investments” means any securities which are now or hereafter authorized legal investments for counties pursuant to the Code of Laws of South Carolina, 1976, as amended.

“Authorized Officer” means the Council Chairman, the County Administrator, or Finance Director and any other officer or employee of the Council designated from time to time as an Authorized Officer by resolution of the Council, and when used with reference to any act or document also means any other person authorized by resolution of the Council to perform such act or sign such document.

“Bond” means the Bond issued in accordance with the provisions of this Ordinance.

“Bondholder” or “Holder” or “Holder of Bond” or “Owner” or similar term means, when used with respect to the Bond means any person who shall be registered as the owner of the Bond outstanding.

“Bond Payment” means the periodic payments of principal of and interest on the Bond.

“Bond Payment Date” means each date on which the Bond Payment shall be payable.

“County” means Laurens County, South Carolina.

“County Administrator” means the County Administrator of the County.

“County Bond Act” means Chapter 15, Title 4, Code of Laws of South Carolina, 1976, as amended.

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

“Council” means the County Council of Laurens County, South Carolina, the governing body of said County or any successor governing body of said County.

“Fiduciary” means the Paying Agent, the Registrar and their successors and assigns.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Holder” means the registered owner, from time to time, of the Bond as shown on the registration books of the County maintained by the Registrar.

“Ordinance” shall mean this ordinance of Council authorizing the issuance of the Bond.

“Original Issue Date” shall mean the date of delivery of the Bond to the initial purchaser thereof.

“Outstanding”, when used in this Ordinance with respect to the Bond, means as of any date, the Bond theretofore delivered pursuant to this Ordinance except:

(a) any Bond cancelled or delivered to the Registrar for cancellation on or before such date;

(b) any Bond deemed to have been paid in accordance with the provisions of Section 7.01 hereof and;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.11 of this Ordinance.

“Paying Agent” means the Treasurer.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Registrar” means the County, acting through the Treasurer.

“Treasurer” means the Treasurer of Laurens County, South Carolina

Section 2.02 Construction.

In this Ordinance, unless the context otherwise requires:

1. Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.

2. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Ordinance, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Ordinance.

3. Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

4. Any Fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Ordinance, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

[End of Article II]

ARTICLE III

ISSUANCE OF THE BOND.

Section 3.01 Ordering the Issuance of the Bond.

Pursuant to the provisions of the County Bond Act, and for the purpose of obtaining funds to defray the costs of the Improvements, there shall be issued in an amount not exceeding Seven Hundred Seventy-Five Thousand dollars (\$775,000) a general obligation bond of the County designated General Obligation Bond, Series 2008, of Laurens County, South Carolina (the “*Bond*”).

Section 3.02 Maturity Schedule of Bond.

The Bond shall be dated as of the date of its delivery and shall bear interest from its dated date. The principal amount, term, rate of interest and payment details of the Bond shall be determined by the County Administrator with advice from Bond Counsel, provided, however, that in no event shall the term of the Bond exceed 10 years from the issue date thereof, nor shall the amount of the Bond exceed \$775,000. Bond Payments on the Bond shall be scheduled to occur no less frequently than annually.

The Bond shall be dated and authenticated as of the Original Issue Date, unless the County Administrator and purchaser agree otherwise.

Section 3.03 Medium of Payment; Form and Denomination of Bond; Place of Payment of Principal.

(a) The Bond shall be payable as to principal and interest on the basis of a 360-day year, consisting of twelve (12) thirty (30) day months each, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bond shall be issued in the form of one (1) fully registered bond.

(c) The Treasurer shall serve as Registrar/Paying Agent for the Bond and shall fulfill all functions of the Registrar/Paying Agent as enumerated herein. The Bond Payments shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the County, which books shall be held by the Treasurer as Registrar, as provided in Section 3.06 and Section 3.07 hereof, as the registered owner thereof, by check or draft mailed from the County to such registered owner at his address as it appears on such registration books in sufficient time to reach such registered owner on the Bond Payment Dates. Payment of the final Bond Payment shall be made when the same is due and payable upon the presentation and surrender for cancellation of the Bond at the administrative office of the Treasurer.

Section 3.04 Execution and Authentication.

(a) The Bond shall be executed in the name and on behalf of the County by the manual or facsimile signature of an Authorized Officer, with its corporate seal impressed, imprinted or otherwise reproduced thereon, and attested by the manual signature of its Clerk to Council or other Authorized Officer (other than the officer or officers executing the Bond). The Bond may bear the manual signature of any person who shall have been such an Authorized Officer authorized to sign the Bond at the time such Bond was so executed, and shall bind the County notwithstanding the fact that his or her authorization may have ceased prior to the authentication and delivery of the Bond.

(b) The Bond shall not be valid or obligatory for any purpose nor shall it be entitled to any right or benefit hereunder unless there shall be endorsed on the Bond a certificate of authentication in the form set forth in this Ordinance, duly executed by the manual signature of the Registrar, and such certificate of authentication upon any Bond executed on behalf of the County shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Ordinance.

Section 3.05 Exchange of the Bond.

The Bond, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for a new Bond of the same interest rate and maturity. So long as the Bond remains Outstanding, the County shall make all necessary provisions to permit the exchange of the Bond. Such new Bond shall reflect the principal amount thereof as then yet unpaid.

Section 3.06 Transferability and Registry.

The Bond shall at all times, when the same is Outstanding, be payable to a Person, and shall be transferable only in accordance with the provisions for registration and transfer contained in this Ordinance and in the Bond. So long as the Bond remains Outstanding, the Treasurer, as Registrar, shall maintain and keep, at its administrative office, books for the registration and transfer of the Bond, and, upon presentation thereof for such purpose at such office, the County shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, such Bond. So long as the Bond remains Outstanding, the County shall make all necessary provisions to permit the transfer of such Bond at its administrative office.

Section 3.07 Transfer of the Bond.

The Bond shall be transferable only upon the books of the Registrar, upon presentation and surrender thereof by the Holder of the Bond in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of the Bond, the County shall execute, authenticate and deliver, in the name of the Person who is the transferee, a

new Bond of the same principal amount and maturity and rate of interest as the surrendered Bond. Such new Bond shall reflect the principal amount thereof as then yet unpaid.

Section 3.08 Regulations with Respect to Exchanges and Transfers.

The Bond surrendered in any exchange or transfer shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bond, the County or Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The County shall not be obligated to issue, exchange or transfer the Bond during the 15 days next preceding any (a) Bond Payment Date, or (b) date upon which the Bond will be redeemed.

Section 3.09 Mutilated, Destroyed, Lost and Stolen Bond.

(a) If the Holder surrenders a mutilated Bond to the Registrar or the Registrar receives evidence to its satisfaction of the destruction, loss, or theft of the Bond, and there is delivered to the Registrar such security or indemnity as may be required by it to save it harmless, then, in the absence of notice that the Bond has been acquired by a bona fide purchaser, the County shall execute, and upon County request the Registrar shall authenticate and deliver, in exchange for the mutilated Bond or in lieu of any such destroyed, lost, or stolen Bond, a new Bond of like tenor, maturity, and interest rate bearing a number unlike that of such mutilated, destroyed, lost, or stolen Bond, and shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost, or stolen Bond has become or is to become due for final payment within one month, the County in its discretion may, instead of issuing a new Bond, pay the Bond.

(b) Upon the issuance of any new Bond under this Section 3.09, the County may require the payment of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the County or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost, or stolen Bond, shall constitute an additional contractual obligation of the County, whether or not the destroyed, lost, or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with the Bond duly issued pursuant to the Ordinance.

(d) The Bond shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of the mutilated, destroyed, lost, or stolen Bond and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of the mutilated, destroyed, lost, or stolen Bond or securities.

Section 3.10 Holder As Owner of Bond.

The County and the Registrar/Paying Agent may treat the Holder of the Bond as the absolute owner thereof, whether the Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Bond Payment on the Bond and for all other purposes, and payment of the Bond Payment shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid, and the County shall not be affected by any notice to the contrary.

Section 3.11 Cancellation of the Bond.

The Registrar shall destroy the Bond when the same shall be surrendered to it for cancellation. In such event, the Bond shall no longer be deemed Outstanding under this Ordinance and no Bond shall be issued in lieu thereof.

Section 3.12 Payments Due Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date shall be Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the Bond Payment need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.13 Tax Exemption in South Carolina.

The interest on the Bond shall be exempt from all State, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.14 Order to Levy Ad Valorem Taxes to Pay Principal and Interest of Bond.

For Bond Payments on the Bond as the same become due and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the County are hereby irrevocably pledged, and there shall be levied an ad valorem tax upon all taxable property located within Laurens County sufficient to pay the Bond Payments until the Bond no longer is Outstanding. Such levy shall be reduced to the extent that, at the time the amount of annual millage levy for the debt service is set, the County has available other amounts for the payment of amounts due on the next following Bond Payment Date and has deposited the same into the sinking fund established for the payment of the Bond Payment.

Section 3.15 Form of Bond.

The form of the Bond, and registration provisions to be endorsed thereon, shall be substantially as set forth in Exhibit B attached hereto and made a part of this Ordinance.

[End of Article III]

ARTICLE IV

REDEMPTION OF BOND.

Section 4.01 Redemption of Bond.

The Bond shall be subject to redemption prior to maturity upon such terms as may be agreed to by the County Administrator, upon advice of Bond Counsel, and the purchaser of the Bond. The Bond will provide that it is subject to redemption, in whole or in part, at any time and from time to time as required to satisfy the covenants of the County contained in Section 8.01 hereof. Upon any such purchase, the County shall deliver such Bond to the Registrar for cancellation.

[End of Article IV]

ARTICLE V

SALE AND AWARD OF BOND.

Section 5.01 Sale and Award of Bond.

In accordance with §11-27-40(4), Code of Laws of South Carolina, 1976, the Bond shall be sold at private sale, at not less than par and accrued interest to the date of delivery, upon such terms as may be determined by the County Administrator. The County Administrator is hereby authorized to negotiate the purchase of the Bond to such banking institution as he deems in the best interest of the County; provided, however, the County Administrator is not required to seek formal proposals. Upon the sale of the Bond the County Administrator is hereby authorized to publish the notice as required under the provisions of said §11-27-40(4).

[End of Article V]

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF BOND.

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

The proceeds derived from the sale of the Bond shall be paid to the County, to be deposited in a Bond Account Fund for the County, and shall be applied as follows:

(a) any premium shall be applied to the payment of the first payment of principal of such Bond; and

(b) the remaining proceeds shall be expended and made use of by the Council to defray the cost of issuing the Bond and to defray the costs of the economic development project described in Section 1.01 hereof. Pending the use of the Bond proceeds, the same shall be invested and reinvested by the Treasurer in Authorized Investments. If any balance remains after completing the Improvements, it shall be held by the Treasurer in a special fund and used to effect the retirement of the Bond authorized by this Ordinance, or, at the option of the Council, applied to defray the cost of additional improvements as may be specified by subsequent ordinance duly adopted by the Council.

Neither the purchaser nor Holder of the Bond shall be liable for the proper application of the proceeds thereof.

[End of Article VI]

ARTICLE VII

DEFEASANCE OF BOND.

Section 7.01 Discharge of Ordinance - Where and How the Bond is Deemed to Have Been Paid and Defeased.

If the Bond and the interest thereon shall have been paid and discharged, then the obligations of the County under this Ordinance and all other rights granted hereby shall cease and determine. The Bond shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz.:

- (a) The Fiduciary shall hold, at the stated maturities of the Bond, in trust and irrevocably appropriated thereto, sufficient moneys for the Bond Payment; or
- (b) If default in the payment of the Bond Payment due shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time the Fiduciary shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or
- (c) If the County shall elect to provide for the payment of the Bond prior to its stated maturity and shall have deposited with the Fiduciary, in an irrevocable trust, moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with the Fiduciary at the same time, shall be sufficient to pay when due the Bond Payment due and to become due, together with any redemption premium applicable thereto.

Neither the Government Obligations nor moneys deposited with the Fiduciary pursuant to this Section nor the Bond Payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Payments and redemption premium, if any, on the Bond; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Fiduciary, if not then needed for such purpose, shall to the extent practicable be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Bond Payments and redemption premium, if any, to become due on the Bond on and prior to the Bond Payment Dates thereof, and interest earned from such reinvestments not required for the payment of the Bond Payments and redemption premium, if any, may be paid over to the County, free and clear of any trust, lien or pledge.

[End of Article VII]

ARTICLE VIII

CERTAIN TAX AND DISCLOSURE CONSIDERATIONS.

Section 8.01 Covenants to Comply with Requirements of the Code.

The County acknowledges that it has on-going responsibilities with respect to the Code and the preservation of the tax-exempt status of the Bond. The County hereby represents and covenants that it will comply with all requirements of the Code, and that it will not take any action which will, or fail to take any action (including, without limitation, filing the required information reports with the Internal Revenue Service) which failure will, cause interest on the Bond to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bond. Without limiting the generality of the foregoing, the County represents and covenants that:

1. All property provided by the net proceeds of the Bond will be owned in accordance with the rules governing the ownership of property for federal income tax purposes.

2. The County shall not permit the proceeds of the Bond or any facility financed with the proceeds of the Bond to be used in any manner that would result in: (a) ten percent (10%) or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in Section 141(b) of the Code, or (b) five percent (5%) or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any other party other than a governmental unit as provided in Section 141(c) of the Code.

Upon any sale or other transfer of a portion of the Improvements resulting in use of such Improvements, or any part thereof, in a private trade or businesses of non-governmental persons (within the meaning of Section 141 of the Code), the County hereby agrees that it will redeem the non-qualifying portion of the Bond (within the meaning of Treasury Regulation 1.141-12), regardless of the amount of disposition proceeds actually received, within 90 days after the date of such action. The County hereby covenants that, to the extent necessary to preserve the exclusion from income for federal income tax purposes of interest paid on the Bond, the mandatory redemption of all or an allocable portion of the Bond will meet all of the conditions for remedial action under Sec. 1.141-12(a) of the Treasury Regulations.

3. The County is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the Bond that do not conform to the guidelines set forth in Revenue Procedure 97-13.

4. The Bond will not be federally guaranteed within the meaning of Section 149(b) of the Code. The County is not a party to any leases or sales or service contracts with any federal government agency and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax exemption of the Bond.

Section 8.02 Ability to Meet Arbitrage Requirements.

Careful consideration has been given to the time in which the expenditures of the proceeds of the Bond authorized hereby will be made, and it has been ascertained that all of the money received from the proceeds of the Bond will be expended within the limitations imposed by Section 148(c) of the Code, so that the Council will be able to certify upon reasonable grounds that the Bond is not an “arbitrage bond” within the meaning of Section 148(c) of the Code.

Section 8.03 Continuing Disclosure.

Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the County covenants to file with a central repository for availability in the secondary bond market when requested:

- (a) An annual independent audit, within thirty days of the County’s receipt of the audit; and
- (b) Event specific information within thirty days of an event adversely affecting more than five percent of revenue or the County’s tax base.

The only remedy for failure by the County to comply with the covenant in this Section 8.03 shall be an action for specific performance of this covenant. The County specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any Bondholder.

Section 8.04 Qualified Tax-Exempt Obligation.

The County expects to issue no tax-exempt obligation in calendar year 2008 which, along with the Bond, would aggregate more than \$10,000,000. Accordingly, the Bond are hereby designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

[End of Article VIII]

ARTICLE IX

MISCELLANEOUS.

Section 9.01 Savings Clause.

If any one or more of the covenants or agreements provided in this Ordinance should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Ordinance.

Section 9.02 Successors.

Whenever in this Ordinance the County is named or referred to, it shall be deemed to include any entity, which may succeed to the principal functions and powers of the County, and all the covenants and agreements contained in this Ordinance or by or on behalf of the County shall bind and inure to the benefit of said successor whether so expressed or not.

Section 9.03 Ordinance to Constitute Contract.

In consideration of the purchase and acceptance of the Bond by those who shall purchase and hold the same from time to time, the provisions of this Ordinance shall be deemed to be and shall constitute a contract between the County and the Holders from time to time of the Bond, and such provisions are covenants and agreements with such Holders which the County hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the County shall be for the benefit, protection, and security of the Holders of the Bond.

Section 9.04 Filing of Copies of Ordinance.

Copies of this Ordinance shall be filed in the offices of the Council and in the office of the Clerk of Court for Laurens County (as a part of the Transcript of Proceedings for the Bond).

Section 9.05 Further Action by Officers of County.

The proper officers of the County are fully authorized and empowered to take the actions required to implement the provisions of this Ordinance and to furnish such certificates and other proofs as may be required of them. In the absence of any officer of the Council herein authorized to take any act or make any decision, the County Administrator is hereby authorized to take any such act or make any such decision.

Section 9.06 Notice Pursuant to Section 11-27-40, paragraph 8 of the Code of Laws of South Carolina, 1976.

In order that the Council may proceed as soon as possible to issue and deliver the Bond authorized hereby, the County Administrator may determine that the County avail itself of the

provisions of paragraph 8 of Section 11-27-40 of the Code. If such determination is made, the notice prescribed thereby shall be provided; the form of which shall be substantially as set forth in Exhibit C.

Section 9.07 Effective Date of Ordinance.

This Ordinance shall take effect upon its third reading and shall be forthwith codified in the Code of County Ordinances.

[End of Article IX]

Done, Ratified and Adopted this ____ day of _____, 2008.

LAURENS COUNTY, SOUTH CAROLINA

(SEAL)

Chairman, County Council
Laurens County, South Carolina

Attest:

Clerk to County Council,
Laurens County, South Carolina

First Reading: July 22, 2008
Second Reading: August 12, 2008
Public Hearing: _____, (5:30 p.m.)
Third Reading: _____, 2008

Exhibit A

Notice of Public Hearing

NOTICE IS HEREBY GIVEN that the County Council of Laurens County, South Carolina (the "County Council"), the governing body of Laurens County, South Carolina (the "County") will conduct a public hearing on the proposed adoption of an Ordinance entitled, "AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING SEVEN HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$775,000) GENERAL OBLIGATION BOND, SERIES 2008 OF LAURENS COUNTY, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO" (the "Ordinance") on August 26, 2008 at 5:30 p.m., in the County Council chambers, which are located on the second floor of the historic Laurens County Courthouse, on Courthouse Square, Laurens, SC 29360.

For the payment of the principal of and interest on the not exceeding \$775,000 General Obligation Bond, Series 2008 (the "Bond") authorized by said Ordinance, there shall be pledged the full faith, credit and taxing power of the County and there shall be levied ad valorem taxes within Laurens County sufficient in amount to pay said principal and interest on the Bond. The proceeds of the Bond will be applied to an economic development project within the City of Clinton and paying the costs of issuance of the Bond.

All interested persons will be given an opportunity to be heard and express their views at the public hearing. A copy of the Ordinance is available for review at the Laurens County administrative facility at 3 Catherine Street in Laurens during normal business hours.

James A. Coleman, Chairman
Laurens County Council

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
LAURENS COUNTY
GENERAL OBLIGATION BOND, SERIES 2008

No. 1

Registered Holder:

Principal Amount: _____ DOLLARS (\$_____)

LAURENS COUNTY, SOUTH CAROLINA (the “*County*”), a public body corporate and politic and a political subdivision of the State of South Carolina (the “*State*”), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above or registered assigns, the Principal Amount stated above.

This Bond is issued in the principal amount of _____ Dollars (\$_____) for purposes authorized by and pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including particularly the provisions of Sections 11-15-10 *et seq.*, Sections 11-19-10 *et seq.* and Section 11-27-40, Code of Laws of South Carolina, 1976, as amended, and an Ordinance duly adopted by the County Council of Laurens County on _____, 2008 (the “*Ordinance*”).

[Insert Redemption Provisions, if any]

The principal and interest on this Bond shall be paid by way of an annual amortized payment in the amount of \$_____ (the “*Bond Payment*”) due and payable on _____ of each of the years 200_ through 20___, inclusive (the “*Bond Payment Dates*”). This Bond shall bear interest at the rate of _____ per centum (___%) per annum calculated on the basis of a 360 day year consisting of twelve 30 day months, from , 20___ and shall be paid by way of the Bond Payments to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month next preceding each Bond Payment date. The Bond Payments shall be payable by check or draft mailed at the times provided herein from the County to the person in whose name this Bond is registered at the address shown on the registration books. The Bond Payments are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance. Certified copies of the Ordinance are on file in the office of the Clerk of Court of Laurens County and in the office of the County Council of Laurens County.

This Bond is payable from a tax levied on all taxable property within Laurens County. For the prompt payment of the Bond Payments as the same shall become due, the full faith, credit, and taxing power of the County are irrevocably pledged.

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

The Bond is issued in the form of one (1) fully registered Bond and is transferable, as provided in the Ordinance, only upon the registration books of the Treasurer of the County, as Registrar (the "**Registrar**") kept for that purpose at the offices of the Registrar by the registered Holder in person or by his duly authorized attorney upon, (i) 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, and (ii) payment of the charges, if any, prescribed in the Ordinance. Thereupon a new fully registered Bond of interest rate and like principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance. The County 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 the Bond Payment due hereon and for all other purposes.

For every exchange or transfer of the Bond, the County may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all acts, conditions, and things required to exist, happen, and to be performed precedent to and in the adoption of the Ordinance and in the issuance of the Bond in order to make the legal, valid, and binding general obligation of the County in accordance with its terms, do exist, have been done, have happened and have been performed in regular and due form as required by law; and that the issuance of the Bond does not exceed or violate any constitutional, statutory, or other limitation upon the amount of indebtedness prescribed by law.

IN WITNESS WHEREOF, LAURENS COUNTY, SOUTH CAROLINA, has caused this bond to be signed by the manual signature of the Chairman of the County Council of Laurens County, attested by the manual signature of the Clerk of the County Council of Laurens County, and the seal of the County impressed hereon.

LAURENS COUNTY,
SOUTH CAROLINA

(SEAL)

Chairman, County Council

ATTEST:

Clerk to County Council

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond of the issue described in the within mentioned Ordinance.

TREASURER OF LAURENS COUNTY, SOUTH
CAROLINA, AS REGISTRAR/PAYING AGENT

By: _____

Date of Authentication: _____, 2008.

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the entireties

_____ Custodian _____
(Cust) (Minor)

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

under Uniform Gifts to Minors Act _____
(state)

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

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
the within bond and does hereby irrevocably constitute and appoint _____
attorney to transfer the within bond on the books kept for registration thereof, with full
power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

(Signature must be guaranteed by a
participant in the Securities Transfer Agent
Medallion Program (STAMP))

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

EXHIBIT C

NOTICE

NOTICE OF ADOPTION OF AN ORDINANCE ENTITLED: “AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING SEVEN HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$775,000) GENERAL OBLIGATION BOND, SERIES 2008 OF LAURENS COUNTY, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.”

Notice is hereby given that on _____, 2008 Laurens County, South Carolina adopted an ordinance entitled: “AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING SEVEN HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$775,000) GENERAL OBLIGATION BOND, SERIES 2008 OF LAURENS COUNTY, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.”

Notice is further given that the provisions of Section 4-9-1220, Code of Laws of South Carolina, 1976, permitting the filing of a petition seeking a referendum to effect the repeal of the foregoing Ordinance will not be applicable, unless as provided by paragraph 8 of Section 11-27-40 of the Code of Laws of South Carolina 1976, notice of intention to seek such a referendum signed by not less than five qualified electors be filed with the Clerk of Court for Laurens County, and with the Clerk to the County Council of Laurens County, South Carolina, within twenty days from the date of publication of this Notice.

By order of the County Council, this ____th day of _____, 2008.

Chairman, Laurens County Council
Laurens County, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF LAURENS

I, the undersigned, Clerk to the County Council of Laurens County, South Carolina
DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of an Ordinance which was given three (3) readings on three (3) separate days, with an interval of not less than seven (7) days between the second and third readings. The original of this Ordinance is duly entered in the permanent records of minutes of meetings of the County Council, in my custody as such County Clerk.

That each of said meetings was duly called, and all members of the County Council were notified of the same; that a quorum of the membership attended each meeting and remained throughout the proceedings incident to the adoption of this Ordinance.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the County,
this ____th day of _____, 2008.

(SEAL)

Clerk to County Council,
Laurens County, South Carolina

First Reading: July 22, 2008
Second Reading: August 12, 2008
Public Hearing: _____, 2008 (5:30 p.m.)
Third Reading: _____2008