

A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$129,750,000 GENERAL OBLIGATION REFUNDING BONDS, IN ONE MORE SERIES, IN ONE OR MORE YEARS, WITH APPROPRIATE SERIES DESIGNATIONS, OF THE SCHOOL DISTRICT OF HORRY COUNTY, SOUTH CAROLINA; FIXING THE FORM AND CERTAIN DETAILS OF THE REFUNDING BONDS; AUTHORIZING THE SUPERINTENDENT OF THE SCHOOL DISTRICT OR A LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE REFUNDING BONDS; PROVIDING FOR THE PAYMENT OF THE REFUNDING BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF EDUCATION ACTING AS THE BOARD OF TRUSTEES OF THE SCHOOL DISTRICT OF HORRY COUNTY, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Findings. The Board of Education acting as the Board of Trustees (the “Board”), as the governing body of the School District of Horry County, South Carolina (the “School District”), hereby finds and determines:

(a) Pursuant to Act No. 79 (1971 Acts), the central authority of Horry County's education system is vested in the Board. The Board is ex officio the Board of Education acting as the Board of Trustees of the School District and all functions and powers vested in school trustees by general or special enactment shall be 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 of the assessed value of all taxable property of such school district upon such terms and conditions as the General Assembly may prescribe. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the school district voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article.

(c) Title 59, Chapter 71, Article 1, Code of Laws of South Carolina 1976, as amended (the “School Bond Act”) provides that the Board of Education acting as the Board of Trustees of any school district may issue general obligation bonds of such school district for the purpose of defraying the cost of capital improvements to any amount not exceeding the constitutional debt limitation applicable to such school district. The School Bond Act requires the County Board of Education acting as the Board of Trustees wherein the School District is located, if there is such, to approve the issuance of such bonds.

(d) Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended (“Title 11, Chapter 27”), provides that if an election be prescribed by the provisions of the School 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 School Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions. Title 11, Chapter 27 further provides that any school district of the State may issue bonds in fully-registered form.

(e) In a referendum (the “1999 Referendum”) held in the School District on November 1, 1999, the following question was submitted to the qualified electors of the School District.

“Shall the Board of Education of The School District of Horry County, South Carolina (the “School District”), acting as the Board of Trustees, be empowered to issue, at one time or from time to time, general obligation bonds of the School District, in a principal amount of not exceeding \$150,000,000, the proceeds of which shall be used to construct, improve, equip and renovate school buildings or other school facilities including the cost of the acquisition of land whereon to construct such school facilities?”

The 1999 Referendum was duly conducted and a majority of the qualified electors of the School District voted in favor of the issuance of the general obligation bonds.

(f) Pursuant to such constitutional and statutory authorizations, the favorable results of the 1999 Referendum, and a resolution adopted on October 18, 2004 (the “2004 Bond Resolution”), the School District issued its \$3,920,000 General Obligation Refunding Bonds, Series 2005B (the “2005B Bonds”).

(g) In a referendum (the “2004 Referendum”) held in the School District on November 2, 2004, the following question was submitted to the qualified electors of the School District.

“Shall the Board of Education of The School District of Horry County, South Carolina (the “School District”), acting as the Board of Trustees, be empowered to issue, at one time or from time to time, general obligation bonds of the School District, in a principal amount of not exceeding \$240,000,000, the proceeds of which shall be used to construct, improve, equip and renovate school buildings or other school facilities including the cost of the acquisition of land whereon to construct such school facilities?”

The 2004 Referendum was duly conducted and a majority of the qualified electors of the School District voted in favor of the issuance of the general obligation bonds.

(h) Pursuant to such constitutional and statutory authorizations, the favorable results of the 2004 Referendum, and a resolution adopted on June 5, 2006 (the “2006 Bond Resolution”), the School District issued its \$125,000,000 General Obligation Bonds, Series 2006A (the “2006A Bonds”).

(i) Sections 11-21-10 to 11-21-80 of the Code of Laws of South Carolina 1976, as amended, provides that any “public agency” (defined to include school districts) may utilize the provisions of Article 5, Chapter 15, Title 11 (the “Refunding Act”) of the Code of Laws of South Carolina 1976, as amended, to effect the refunding of any outstanding general obligation bonds. The Refunding Act authorizes and provides the procedure for the issuance of general obligation bonds whose proceeds are to be used to pay, in whole or in part, sums due on general obligation bonds previously issued and further provides that any issuer (defined to include a school district) may issue general obligations bonds to such extent as such issuer shall be indebted by way of principal, interest, and redemption premium upon any outstanding general obligation bonds.

(j) The 2005B Bonds are currently outstanding in the amount of \$2,690,000. The 2005B Bonds maturing on or after March 1, 2014, are subject to redemption at the option of the School District, on and after March 1, 2014, as a whole or in part at any time, at 101% of par plus accrued interest to the date fixed for redemption.

(k) Sections 11-21-10 to 11-21-80 of the Code of Laws of South Carolina 1976, as amended, empower any “public agency” to utilize the provisions of Article 5, Chapter 15, Title 11 (the “Refunding Act”) of the Code of Laws of South Carolina 1976, as amended, to effect the refunding of any outstanding general obligation bonds.

(l) The 2006A Bonds are currently outstanding in the amount of \$121,125,000. The 2006A Bonds maturing on or after March 1, 2017, are subject to redemption at the option of the School District on or after March 1, 2016, as a whole or in part at any time, at plus accrued interest to the date fixed for redemption:

(m) The maturities to be refunded of the 2005B Bonds and the 2006A Bonds designated by the Superintendent of the School District (the “Superintendent”) are collectively hereinafter referred to as the “Bonds to be Refunded.”

(n) Based on current market conditions and projected savings, the Board finds that it may be in the best interest of the School District to refund the Bonds to be Refunded because a savings in interest paid may be effected through such refunding and redemption. The Board recognizes, however, that current market conditions may change and that, as of the date of adoption of this Resolution, a determination cannot be made as to the amount of such savings, if any, realized through the refunding of the Bonds to be Refunded. The Board also recognizes that certain authority relating to such refunding is delegated to the Superintendent or a lawfully authorized designee through this Resolution. If at the time of the sale of the Bonds market conditions are unfavorable, and if the rates of interest on the bonds authorized by this Resolution do not result in satisfactory debt service savings, the Board, through the authority delegated to the Superintendent or a lawfully authorized designee, will be empowered to reject bids for the purchase of the bonds authorized herein.

(o) It is now in the best interest of the School District for the Board to provide for the issuance and sale of general obligation refunding bonds of the School District, in one or more series, from time to time, pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina in the principal amount of not exceeding \$129,750,000, the proceeds of which will be used for the purposes of refunding the Bonds to be Refunded, paying costs of issuance of the Bonds (hereinafter defined), and such other lawful purposes as the Board may determine.

Section 2. Authorizations and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued general obligation bonds of the School District in the amount of not exceeding \$129,750,000 to obtain funds for any one or more of the purposes mentioned in Section 1(o) above, including any financial and legal fees relating thereto and other incidental costs of issuing the bonds. The Bonds shall be designated “(Amount Issued) General Obligation Refunding Bonds, Series (Appropriate Series Designation), of the School District of Horry County, South Carolina” (the “Bonds”).

The refunding of the Bonds to be Refunded shall be effected with a portion of the proceeds of the Bonds which proceeds shall be used for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature and are called for redemption in accordance with the

provisions of the 2005 Bond Resolution and the 2006 Bond Resolution (collectively, the “Resolutions”), the redemption premium thereon, and interest on such Bonds to be Refunded as and when the same becomes due.

Upon the delivery of the Bonds, the principal proceeds thereof, less any accrued interest and less issuance expenses, shall be deposited with an escrow agent to be named (the “Escrow Agent”) and held by it under a written refunding trust agreement between the Escrow Agent and the School District (the “Refunding Trust Agreement”) in a special trust account. It shall be the duty of such Escrow Agent 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 of the trust so established in the manner prescribed in such Refunding Trust Agreement.

The Superintendent is hereby authorized and directed for and on behalf of the School District to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Resolution, including the execution and delivery of the Refunding Trust Agreement. The Refunding Trust Agreement shall be dated the date of delivery of the Bonds to the initial purchasers thereof.

Upon the award of the Bonds, the School District shall designate the Bonds to be Refunded for redemption on a date determined by the Superintendent or a lawfully authorized designee, in accordance with the Resolutions.

The Bonds shall be issued in one more series, as fully-registered bonds; shall be dated as of the first day of the month in which the Bonds are sold to the initial purchaser(s) thereof or such other date as determined by the Superintendent or a lawfully authorized designee; shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest at such times as hereafter designated by the Superintendent or a lawfully authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the Superintendent or a lawfully authorized designee.

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 Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent located either within or without the State of South Carolina.

Section 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The Board hereby delegates to the Superintendent or a lawfully authorized designee the authority to: (a) determine the maturity dates of the Bonds and the respective principal amounts maturing on such dates; (b) determine the interest payment dates of the Bonds; (c) name the Registrar/Paying Agent for the Bonds; (d) determine redemption provisions, if any, for the Bonds; (e) determine the date and time of sale of the Bonds; and (f) determine which maturities of the 2005B Bonds and the 2006A Bonds are to be refunded. At the time of the sale, the School District may decrease or increase the principal amount of the Bonds (all calculations to be rounded to the nearest \$5,000), provided that any such decrease or increase shall not exceed 10% of the par amount and shall not exceed the maximum amount of bonds authorized herein.

The Board hereby delegates to the Chief Financial Officer the authority to receive bids on behalf of the Board and the authority to award the sale of the Bonds to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the Bonds, provided the true interest cost of the Bonds does not exceed four percent (4%) per annum. After the sale of the Bonds, the Chief Financial Officer shall submit a written report to the Board setting forth the results of the sale of the Bonds.

As described in Paragraph 1(o) herein, if at the time of the sale of the Bonds market conditions are unfavorable, and if the rates of interest on the Bonds authorized by this Resolution do not result in satisfactory debt service savings, the Board of Education acting as the Board of Trustees, through the authority delegated to the Chairman or the Superintendent or a lawfully authorized designee, will be empowered to reject bids for the purchase of the Bonds.

Section 4. Registration, Transfer and Exchange of Bonds. The School District shall cause books (herein referred to as the “registry books”) to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the School District, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his or her duly authorized attorney. Upon the transfer of any such Bond, the Registrar/Paying Agent on behalf of the School District shall issue in the name of the transferee a new fully-registered Bond or Bonds 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/Paying Agent.

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

Section 5. Record Date. The School District hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the mailing of notice of redemption of Bonds.

Section 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the School District shall execute and the Registrar shall authenticate and

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

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

Section 7. Execution of Bonds. The Bonds shall be executed in the name of the School District with the facsimile signature of the Chairman attested by the facsimile signature of the Secretary of the Board with the seal of the School District 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. Each Bond shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

Section 8. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

Section 9. Eligible Securities. The Bonds initially issued (the "Initial Bonds") will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York ("DTC"), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or any integral multiple of \$5,000.

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

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

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

If the School District is unable to retain a qualified successor to DTC or the School District has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the School District undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the School District of the Initial Bonds together with an assignment duly executed by DTC, the School District shall execute, authenticate and deliver to the DTC participants Bonds in fully-registered form, in substantially the form set forth in Appendix A attached to this Resolution in the denomination of \$5,000 or any integral multiple thereof.

Section 10. Security for the Bonds. The full faith, credit, resources and taxing power of the School District are hereby irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor. There shall be levied annually by the Auditor of Horry County and collected by the Treasurer of Horry County in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

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

Section 11. Defeasance. The obligations of the School District under this Resolution and the pledges, covenants and agreements of the School District herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

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

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

“Government Obligations” shall mean any of the following:

- (a) non-callable, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States; and
- (b) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
- (c) general obligation bonds of the State, its institutions, agencies, school districts and political subdivisions.

Section 12. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina, 1976, as amended, 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 13. Sale of Bonds; Form of Notice of Sale. The Bonds shall be sold at public sale. A Notice of Sale in substantially the form attached hereto as Exhibit B and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper having general circulation in the State of South Carolina or in a financial publication published in the City of New York, State of New York, or both, not less than seven (7) days prior to the date set for such sale.

Section 14. Preliminary and Official Statement. The Board hereby authorizes and directs the Chairman or the Superintendent or a lawfully authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The Board authorizes the Chairman or the Superintendent or a lawfully authorized designee to designate the Preliminary Official Statement as “deemed final” for purposes of Rule 15c2-12 of the Securities Exchange Commission. The Chairman or the Superintendent or a lawfully authorized designee is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchaser of the Bonds.

Section 15. Filings with Central Repository. In compliance with Act No. 442 (1994 Acts), the School District covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of the annual audit of the School District within thirty (30) days for the School District's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which adversely affects more than five (5%) percent of the revenues of the School District or the School District's tax base.

Section 16. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the School District covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of, a Continuing Disclosure Certificate in substantially the form appearing as Appendix A to this Resolution. In the event of a failure of the School District to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Resolution shall not be deemed to have

occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by the School District.

Section 17. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds necessary to refund the Bonds to be Refunded shall be deposited with an escrow agent to be named (the "Escrow Agent") pursuant to the terms of a refunding trust agreement (the "Refunding Trust Agreement"). The remaining proceeds, if any, shall be deposited with the Treasurer of Horry County in a special fund to the credit of the School District and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds, except that the accrued interest, if any, shall be used to discharge in part the first interest to become due on the Bonds.

The Chairman of the Board and the Superintendent are hereby authorized and directed for and on behalf of the School District to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Resolution, including the execution and delivery of the Refunding Trust Agreement. The Refunding Trust Agreement shall be dated the date of delivery of the Bonds to the initial purchasers thereof.

In accordance with the terms, conditions, and limitations set forth in the Refunding Trust Agreement, the Escrow Agent shall upon written direction of the School District, sell, transfer, redeem or otherwise dispose of the Defeasance Obligations (as defined thereon) then on deposit in the escrow fund, provided that there are substituted therefor other direct non-callable U. S. Treasury obligations. In the event that, as a result of any substitution, amounts available from the maturing principal of and income on the Defeasance Obligations, together with any funds on deposit in the escrow fund, exceed the amount required to pay the interest on and redemption price of the Bonds to be Refunded, the Escrow Agent shall pay to the School District the amount certified to be in excess on the date or dates such amounts become excess.

Section 18. Tax Covenants. The School District hereby covenants and agrees with the Holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Bondholders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The School District further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the School District hereby shall:

(a) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder, as applicable, so long as the applicable Bonds are outstanding;

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

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

Section 19. Miscellaneous. The Board hereby authorizes the Superintendent or Chairman, her lawfully authorized designee and the Secretary of the Board to execute such documents and instruments as may be necessary to effect the issuance of the Bonds. The Board hereby retains McNair Law Firm, P.A., as bond counsel, a financial advisor as determined by the Superintendent or Chief Financial Officer, and Amtec Tax-Exempt Compliance as Verification Agent in connection with the issuance of the Bonds. The Superintendent is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

All rules, 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 ____ day of October, 2014.

SCHOOL DISTRICT OF HORRY COUNTY,
SOUTH CAROLINA

Chairman, Board of Education acting as the
Board of Trustees

(SEAL)

ATTEST:

Secretary, Board of Education acting
as the Board of Trustees

(FORM OF BOND)

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 SCHOOL DISTRICT OF HORRY COUNTY
 GENERAL OBLIGATION REFUNDING BOND,
 SERIES _____

No. R-

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

REGISTERED HOLDER:

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the School District of Horry County, South Carolina (the "School District"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of _____ in _____ (the "Paying Agent"), 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 _____ 1, _____ and semiannually thereafter on _____ 1 and _____ 1 of each year, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the School District maintained by the registrar, presently _____, in _____ (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully-registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Resolution of the School District authorizing the Bonds (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 it respectively matures 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 Horry County and collected by the Treasurer of Horry 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 it respectively matures and to create such sinking fund as may be necessary therefor.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the securities depository nominee, is being issued and required to be deposited with the securities depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the securities depository's participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the securities depository and its participants pursuant to rules and procedures established by the securities depository and its participants. The School District and the Registrar/Paying Agent will recognize the securities depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including payments of principal of and redemption premium, if any, and interest on this bond, notices and voting. Transfer of principal and interest payments to participants of the securities depository will be the responsibility of the securities depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Bonds by participants of the securities depository will be the responsibility of such participants and other nominees of such beneficial owners. The School District will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the securities depository, the securities depository nominee, its participants or persons acting through such participants. While the securities depository nominee is the owner of this bond, notwithstanding, the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Resolution and the securities depository.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, denomination and rate of interest, aggregating _____ and no/100 Dollars (\$ _____), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended; Title 59, Chapter 71, Article 1, Code of Laws of South Carolina 1976, as amended (the "School Bond Act"); Title 11, Chapters 15, 21 and 27, Code of Laws of South Carolina 1976, as amended; the favorable results of referenda; and the Resolution duly adopted by the Board of Education acting as the Board of Trustees of the School District.

[Redemption Provisions]

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

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

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the School District does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest on this Bond as it respectively matures and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, School District of Horry County, South Carolina, has caused this Bond to be signed with the facsimile signature of the Chairman of the Board of Education acting as the Board of Trustees of the School District, attested by the facsimile signature of the Secretary of the Board of Education acting as the Board of Trustees of the School District and the seal of the School District impressed, imprinted or reproduced hereon.

SCHOOL DISTRICT OF HORRY COUNTY,
SOUTH CAROLINA

Chairman, Board of Education acting as the
Board of Trustees

ATTEST:

Secretary, Board of Education acting as the
Board of Trustees

[FORM OF 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 Horry County, South Carolina.

_____,
as Registrar

By: _____
Authorized Officer

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)
under Uniform Gifts to
Minors Act _____
(state)

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

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

(FORM OF ASSIGNMENT)

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

Dated: _____

Signature Guaranteed

(Authorized Officer)

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

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

A copy of the final approving legal opinion to be rendered shall accompany each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the School District with a facsimile signature of the Secretary of the Board of Education acting as the Board of Trustees of the School District. Said certificate shall be in substantially the following form:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, approving the issue of Bonds of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds, and a copy of which is on file with the School District of Horry County, South Carolina.

SCHOOL DISTRICT OF HORRY COUNTY,
SOUTH CAROLINA

By: _____
Secretary, Board of Education acting as the Board of Trustees

NOTICE OF SALE
\$ _____ GENERAL OBLIGATION REFUNDING BONDS,
SERIES _____
SCHOOL DISTRICT OF HORRY COUNTY,
STATE OF SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that bids for the purchase of \$ _____ General Obligation Bonds (the "Bonds") will be received by the Chief Financial Officer (the "Chief Financial Officer") of the School District of Horry County, South Carolina in the offices of the School District, 335 Four Mill Road, Conway, South Carolina, until 11:00 a.m., South Carolina time, on _____, _____.

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series _____, School District of Horry County, South Carolina" and should be directed to the Chief Financial Officer at the address in the first paragraph hereof.

Facsimile Bids: The School District will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the Bidder. The School District shall not be responsible for the confidentiality of bids submitted by facsimile transmission. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid are the responsibility of the bidder. Bids by facsimile should be transmitted to the attention of John Gardner at fax number (843) _____.

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, New York 10018, Customer Support, telephone (212) 849-5021.

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

Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC. The Bonds will be dated _____ and will mature serially in successive annual installments on _____ 1 in each of the years and in the principal amounts as follows:

YEAR

PRINCIPAL
AMOUNT*

*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. If, after final computation of the proposals, the School District determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the par amount. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the School District in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

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

The Bonds will bear interest from the date thereof payable semiannually on _____ 1 and _____ 1 of each year, commencing _____, until they mature.

[Redemption Provisions]

Registrar/Paying Agent: Within twenty-four (24) hours of the sale of the Bonds, The School District will designate a registrar and paying agent ("Registrar/Paying Agent") for the Bonds. The Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent located either within or without the State of South Carolina.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% with no greater difference than two percent (2%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. **A BID FOR LESS THAN ALL THE BONDS, A BID AT A PRICE LESS THAN PAR OR A BID WHICH INCLUDES A PREMIUM WILL NOT BE CONSIDERED.** In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Good Faith Deposit: No good faith deposit is required.

Bid Form: Each proposal should be enclosed in a sealed envelope marked "Proposal for \$_____ General Obligation Refunding Bonds, School District of Horry County, South Carolina" and should be directed to the Chief Financial Officer at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

Official Statement: Upon the award of the Bonds, the School District will prepare an official statement (the "Official Statement") in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement.

Within seven (7) business days after the award of the Bonds, the School District will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the School District all necessary

pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Security: The Bonds shall constitute binding general obligations of the School District, and the full faith, credit, resources and taxing power of the School District are irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary to provide for the prompt payment thereof. There shall be levied and collected annually upon all taxable property of the School District a tax, without limitation as to rate or amount, sufficient for such purposes.

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

Legal Opinion: The Board shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

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

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the School District. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The School District reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

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

Financial Advisor: _____ has acted as Financial Advisor to the School District in connection with the issuance of the Bonds.

Delivery: The Bonds will be delivered on or about _____, _____ in New York, New York, at the expense of the School District or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds.

Additional Information: The Preliminary Official Statement of the School District with respect to the Bonds is available via the internet at _____ and will be furnished to any person interested in bidding for the Bonds upon request to McNair Law Firm, P.A., Post Office Box 11390, Columbia, South Carolina 29211, Attention: Francenia B. Heizer, telephone (803) 799-9800. The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Notice of Sale as to the complete information concerning the Bonds. Persons seeking information should communicate with John Gardner, Chief Financial Officer, School District of Horry County, South Carolina, 1605 Horry Street, Conway, South Carolina, telephone: (843) 488-6858 or with the Financial Advisor, _____.

s/

Chairman, Board of Education acting as the Board of
Trustees, School District of Horry County, South Carolina

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by School District of Horry County, South Carolina (the “School District”) in connection with the issuance of not exceeding \$_____ General Obligation Refunding Bonds, Series _____, of the School District (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the Board of Education acting as the Board of Trustees of the School District (the “Resolution”). The School District covenants and agrees as follows:

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

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

“Annual Report” shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Bonds” shall mean the \$_____ General Obligation Refunding Bonds, Series _____, of the School District, dated _____, 20__.

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

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

“National Repository” shall mean for purposes of the Rule the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean _____ and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bond.

“Repository” shall mean each National Repository and each State Depository, if any.

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

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

SECTION 3. Provision of Annual Reports.

(a) The School District shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 2015, to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the School District shall provide the Annual Report to the Dissemination

Agent, if other than the School District; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date, unaudited financial statements of the School District may be included in such Annual Report in lieu thereof, and the School District shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report.

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

(c) The Dissemination Agent shall:

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

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

SECTION 4. Content of Annual Reports. The School District's Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to governmental entities such as the School District, and shall, in addition, contain or incorporate by reference the following:

- (a) School District enrollment for the current fiscal year;
- (b) Total anticipated state appropriations subject to withholding under Article X, Sec. 15, South Carolina Constitution for current fiscal year;
- (c) Anticipated funding under Education Finance Act and Education Improvement Act for current fiscal year;
- (d) Outstanding Indebtedness of the School District;
- (e) Market Value/Assessment Summary of taxable property in School District;
- (f) Tax levy for School District for current fiscal year;
- (g) Tax collections for School District for preceding fiscal year; and
- (h) Five largest taxpayers (including fee-in-lieu-of-tax) for School District for preceding fiscal year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the School District is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The School District shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Tender offers;
- (10) Defeasances;
- (11) Release, substitution, or sale of property securing repayment of the securities;
- (12) Rating changes;
- (13) Bankruptcy, insolvency, receivership or similar event of the School District;
- (14) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (15) Appointment of a successor or additional trustee or the change of name of a trustee.

(b) Whenever the School District obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), or (15) above, the School District shall as soon as possible determine if such event would be material under applicable federal securities laws. If the School District determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the School District shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(c) Whenever the School District obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) above, the School District shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(d) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8), (9), and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds. For the purposes of the event identified in (a)(13) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in

possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

SECTION 6. Termination of Reporting Obligation. The School District's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of the Bond.

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

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the School District, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the School District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the School District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the School District, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the School District, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the School District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bond.

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

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SCHOOL DISTRICT OF Horry COUNTY,
SOUTH CAROLINA

By: _____
Superintendent

Dated: _____

(FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT)

Name of the School District: School District of Horry County, South Carolina

Name of Bond Issue: \$_____ General Obligation Refunding Bonds,
Series _____, of the School District of Horry County, South Carolina

Date of Issuance: _____

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

Dated: _____

SCHOOL DISTRICT OF HORRY COUNTY,
SOUTH CAROLINA