

STATE OF SOUTH CAROLINA

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)

COUNTY OF NEWBERRY

)

ORDINANCE NO. 05-15-10

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWO MILLION NINE HUNDRED SEVENTY THOUSAND DOLLARS (\$2,970,000) GENERAL OBLIGATION REFUNDING BONDS OF NEWBERRY 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.

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ARTICLE I

FINDINGS OF FACT

As an incident to the enactment of this Ordinance and the issuance of the bonds provided for herein, the County Council of Newberry County (the “Council”), the governing body of Newberry County, South Carolina (the “County”) finds that the facts set forth in this Article exist, and the statements made with respect thereto are true and correct:

Section 1.01 Findings and Determinations.

The County has heretofore issued its \$4,000,000 General Obligation Bonds, Series 2001, dated June 1, 2001 (the “Series 2001 Bonds”), for the purpose of acquiring, constructing, and improving and equipping various facilities of the County. The Series 2001 Bonds are now subject to optional redemption at a price of 100.5% of par. There remains outstanding of the Series 2001 Bonds the principal amount of \$2,895,000, which mature on March 1 of the following years and with the interest rates shown on the respective installments of principal:

<u>Calendar</u> <u>Year</u>	<u>Principal Due</u> <u>March 1</u>	<u>Interest</u> <u>Rate</u>
2011	195,000	4.75%
2012	205,000	4.50%
2013	220,000	4.60%
2014	235,000	4.70%
2015	245,000	4.85%
2016	260,000	4.90%
2017	270,000	4.90%
2018	290,000	5.00%
2019	310,000	4.75%
2020	320,000	4.50%
2021	345,000	4.50%

The County has made a careful assessment of market conditions now prevailing, and has determined that a savings in the debt service of the Series 2001 Bonds can be achieved through the redemption thereof.

In order to raise the moneys necessary to pay for the cost of refunding the Series 2001 Bonds and to pay the costs of issuance to be incurred in connection therewith, the Council has determined to issue general obligation bonds of the County in the principal amount of not exceeding \$2,970,000 and to use the proceeds of the sale of such bonds for such purposes and for certain costs related to the issuance of the bonds.

Section 1.02 Recital of Statutory and Constitutional Authorization.

Pursuant to the provisions of Sections 11-15-410 through 11-15-600, inclusive, Code of Laws of South Carolina, 1976, as amended, as amended and supplemented by Section 11-27-40, Code of Laws of South Carolina, 1976, as amended (collectively, the “Enabling Act”), the County is authorized to issue

general obligation bonds, the proceeds of which are used to refund outstanding general obligation bonds of the County prior to the date on which they become due.

The refunding of the Series 2001 Bonds does not create a new indebtedness, but merely continues an existing indebtedness, and thus the County may borrow the sum of not exceeding \$2,970,000 to refund the Series 2001 Bonds without reference to its debt limit established under Art. X, §14 of the South Carolina Constitution, provided a savings results therefrom.

[End of Article I]

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

As used in this Ordinance unless the context otherwise requires, the following terms shall have the following respective meanings:

“Authorized Investments” means and includes such investments as are approved for political subdivisions of the State pursuant to Sections 6-5-10 and 6-6-30, Code of Laws of South Carolina, 1976, as amended.

“Authorized Officer” means the Chairman, the Vice-Chairman, the County Administrator of the County, and any other officer or employee of the County 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.

“Chairman” means the Chairman of the Council.

“Council” means the County Council of Newberry County, the governing body of said County or any successor governing body of said County.

“Bond or Bonds” means any of the Bonds of the County authorized by this Ordinance.

“Bond Counsel” means Haynsworth Sinkler Boyd, P.A.

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

“Bond Payment Date” means each March 1 and September 1 (or other such semi-annual intervals as elected by the Chairman pursuant to Section 3.02 of this Ordinance) on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds, or such annual payment date established in accordance with Section 3.21(b) of this Ordinance.

“Continuing Disclosure Certificate” means that certificate, the form of which appears attached hereto as Exhibit “C”, which is to be executed by an Authorized Official and delivered at or prior to the closing of the Bonds as required by Securities and Exchange Commission Rule 15c2-12, as amended.

“Corporate Trust Office”, when used with respect to Paying Agent or Registrar, means the office at which its principal corporate trust business shall be administered.

“County” means Newberry County, South Carolina.

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

“County Request” means a written request of the County signed by an Authorized Officer.

“Enabling Act” means Chapter 11, Title 15, Article 5, Code of Laws of South Carolina, 1976, as amended and supplemented by Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended.

“Escrow Agent” means a bank, trust company, or national banking association maintaining corporate trust powers appointed by the Chairman to hold an escrow established pursuant to Section 7.01 of this Ordinance in connection with defeasance of Bonds issued pursuant to Section 3.21 of this Ordinance.

“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.

“Ordinance” means this Ordinance as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Outstanding”, when used in this Ordinance with respect to Bonds means as of any date, all Bonds theretofore authenticated and delivered pursuant to this Ordinance except:

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

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

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

“Paying Agent” means as to the Bonds any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of or interest on any Bonds and having the duties, responsibilities and rights provided for in this Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The institution named as Paying Agent may also act as Registrar. The County Treasurer of the County shall serve as Paying Agent under the conditions specified in Section 3.21(e) of this Ordinance.

“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.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

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

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Ordinance.

“Registrar” means as to the Bonds any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds and shall effect the exchange and transfer of Bonds in accordance with the provisions of this

Ordinance and having the duties, responsibilities, and rights provided for in this Ordinance and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The institution named as Registrar may also act as Paying Agent. The Clerk to the Council shall serve as Registrar under the conditions specified in Section 3.21(e) of this Ordinance.

“Series 2001 Bonds” shall have the meaning given in Section 1.01 of this Ordinance.

“Series 2001 Paying Agent” shall mean Carolina First Bank, paying agent of the Series 2001 Bonds.

“Vice-Chairman” means the Vice-Chairman of the Council.

Section 2.02 Construction.

In this Ordinance, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.

(b) 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.

(c) 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.

(d) 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 BONDS

Section 3.01 Ordering the Issuance of Bonds.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds for the purposes described in Section 1.01 of this Ordinance, there shall be issued not exceeding Two Million Nine Hundred Seventy Thousand Dollars (\$2,970,000) of general obligation refunding bonds of the County. The Bonds issued hereunder shall be designated by the year of issuance thereof, together with such other identifiers as the Chairman may deem appropriate upon advice of the Bond Counsel.

Section 3.02 Maturity Schedule of Bonds.

The Bonds shall mature on the dates and in the principal amounts as determined by the Chairman, provided that the aggregate principal amount of the Bonds issued hereunder does not exceed \$2,970,000, and further provided that all Bonds shall mature not earlier than five (5) years and not later than 15 years from the date of issuance of the Bonds. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.15 hereof. Interest on the Bonds shall be payable on March 1 and September 1 of each year until payment of the principal thereof, commencing on a date which is not more than ten (10) months after the issue date of such Bonds.

Section 3.03 Provision for Payment of Interest on the Bonds.

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The original issue date of the Bonds shall be the first or fifteenth day of the month in which the Bonds are initially delivered or of the preceding month, or the date of delivery of the Bonds, as may be designated by the Chairman but in any case on or before the date of delivery of the Bonds. The Bonds shall bear interest from the March 1 or the September 1 to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a September 1 or a March 1, in which case, from such authentication date, or if dated prior to the initial Bond Payment Date, then from the original issue date of the Bonds. The interest to be paid on any March 1 or September 1 shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such March 1 or September 1.

Section 3.04 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment and interest at the rates per annum determined in the manner prescribed by Section 3.15 hereof (on the basis of a 360 day year of twelve 30-day months) 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 Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from 1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond 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 Registrar as provided in Section 3.08 hereof, as the registered owner thereof, by check or draft mailed 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 Date. Payment of the Principal Installment of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.05 Agreement to Maintain Registrar and Paying Agent.

As long as any of the Bonds remain Outstanding there shall be a Registrar and a Paying Agent for the Bonds, each of which shall, subject to Section 3.21(e) of this Ordinance, be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the County in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer.

Section 3.06 Execution and Authentication.

(a) The Bonds 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 (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the manual or facsimile signature of its Clerk to Council or other Authorized Officer (other than the officer executing such Bonds). Bonds bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such Bonds were so executed shall bind the County notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such Bonds or was not such Authorized Officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the 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 3.07 Exchange of Bonds.

Bonds, 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 an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the County shall make all necessary provisions to permit the exchange of Bonds at the Corporate Trust Office of the Registrar.

Section 3.08 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in the Ordinance and in the Bonds. So long as any of the Bonds remain Outstanding, the County shall maintain and keep, at the office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust

Office of the Registrar, the County shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the County shall make all necessary provisions to permit the transfer of Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transfer of Bonds.

Each Bond shall be transferable only upon the books of the County, which shall be kept for such purpose at the Corporate Trust Office of the Registrar which shall be maintained for such purpose by the Registrar, upon presentation and surrender thereof by the Holder of such 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 any such Bond, the County shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds, of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the County.

Section 3.10 Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of Bonds, the County or the Registrar may make a charge sufficient to reimburse it or them 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 (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bond during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.11 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar or the County receives evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the County such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such 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 any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like Series, tenor, principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the County in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.11, 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 any and all other Bonds duly issued pursuant to the Ordinance. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds or securities.

Section 3.12 Holder As Owner of Bond.

The County, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment of, redemption premium, if any, and interest on such Bond and for all other purposes, and payment of the Principal Installment, redemption premium, if any, and interest 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 such Bond to the extent of the sum or sums so paid, and neither the County nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.13 Cancellation of Bonds.

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the County. No such Bonds shall be deemed Outstanding under the Ordinance and no Bonds shall be issued in lieu thereof.

Section 3.14 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date or Redemption Date shall be a 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 Redemption Price, interest on or Principal Installment of the Bonds 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 3.15 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest net interest cost (NIC) to the County, as determined by the Chairman, at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than two per centum (2%) higher than the lowest rate of interest named;
- (c) each interest rate named shall be a multiple of one eighth (1/8th) or one twentieth (1/20th) of one per centum (1%); and
- (d) any premium offered must be paid in cash as a part of the purchase price.

For the purpose of determining lowest net interest cost, the aggregate of interest on all Bonds from their original issue date until their respective maturities, less any sum named by way of premium, shall be

determined on each bid and the smallest amount to be paid by the County shall reflect lowest net interest cost. The Chairman is authorized to modify the foregoing conditions upon the naming of interest rates, but in any event not inconsistent with Section 3.15(a) and Section 3.15(d).

Section 3.16 Tax Exemption in South Carolina.

Both the Principal Installment and interest on said Bonds 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 3.17 Order of Tax Levy to Pay Principal and Interest of Bonds.

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the County are hereby irrevocably pledged, and there shall be levied annually by the Auditor of Newberry County, South Carolina, and collected by the Treasurer of Newberry County, South Carolina, in the same manner as county taxes are levied and collected, a tax on all taxable property in said County, sufficient to pay the Principal Installment and interest on such Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Section 3.18 Notice to Auditor and Treasurer to Levy Tax.

The Auditor and Treasurer of Newberry County, South Carolina shall each be notified of the issuance of each Series of Bonds and directed to levy and collect, upon all taxable property in said County an annual tax sufficient to meet the payment of the Principal Installment and interest on said Bonds, as the same respectively mature, and to create such sinking fund as may be necessary therefor.

Section 3.19 Bonds Issued in Book-Entry Only Form.

(a) Notwithstanding any provision of this Ordinance to the contrary, the Bonds will initially be issued under the DTC Book-Entry Only System in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as initial securities depository for the Bonds. Notwithstanding anything to the contrary herein, so long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository.” Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee.”

(b) Notwithstanding any other provision of this Ordinance, as long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the holder of the Bonds for the purposes of (i) paying the principal, interest and redemption premium, if any, on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this ordinance, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the holders of such Bonds, and for all other purposes whatsoever, and the County shall not be affected by any notice to the contrary.

(c) The County shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered

to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of such Bonds.

(d) The County shall pay all principal, interest and redemption premium, if any, on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and redemption premium, if any, and interest on such Bonds.

(e) In the event that the Securities Depository for the Bonds discontinues providing its services, the County shall either engage the services of another Securities Depository or arrange with the Registrar and Paying Agent for the delivery of physical certificates.

(f) In connection with any notice or other communication to be provided to the holders of Bonds by the County or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the holders of Bonds, the County or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(g) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST Closing" procedures.

(h) For as long as the Bonds are being held under a book-entry system of a securities depository, the County shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.20 Form of Bonds.

The form of the Bonds and registration provisions to be endorsed thereon shall, subject to Section 3.21(d) of this Ordinance, be substantially as set forth in Exhibit "A" attached hereto and made a part of this Ordinance.

Section 3.21 Bond Sold as Single Instrument.

Notwithstanding any provision of this Ordinance to the contrary, the Bonds authorized hereby, if so determined by the Chairman, upon advice of Bond Counsel, may be issued in the form of a single Bond. In the event the Bonds are issued as a single Bond, the following shall apply:

(a) The dated date of such Bond shall be the date of its delivery, and such Bond shall bear interest from such date.

(b) Such Bond shall bear a single, fixed rate of interest and the Bond shall be payable by way of annual installments of principal and interest due on March 1 of each year, or, at the option of the Chairman, by way of annual installments of principal and interest due on the anniversary of the issuance of the Bond. The principal amount of the Bond to mature each year shall be determined by the Chairman

upon advice of Bond Counsel, provided, however, that the final maturity of the Bond, as determined by the Chairman, shall not occur not less than 5 nor more than 15 years from the dated date thereof.

(c) No bidder shall be required to submit a good faith check with its bid.

(d) The form of the Bonds as set forth in Exhibit "A" hereto and the Notice of Sale as set forth in Exhibit "B" hereto shall be appropriately modified. In the event that a Bond with a maturity of 10 years or less and in the principal amount of \$1,500,000 or less is issued in accordance with this Section 3.21, a notice of private sale conforming to the requirements of S.C. Code Ann §11-27-40(4) shall be published in lieu of the form of notice set forth in Exhibit "B".

(e) The County Treasurer of Newberry County shall serve as Paying Agent for the Bond and the County, acting through the Clerk to Council, shall serve as Registrar for the Bond, provided that neither the County Treasurer of Newberry County nor the Clerk to Council shall be deemed to be a Fiduciary within the meaning of Article VIII herein.

(f) If so determined by the Chairman, the Bond shall not be issued in book-entry only form, and, in lieu thereof, shall be registered in the name of the Holder as directed by the purchaser thereof.

(g) An official statement need not be prepared in connection with the sale of the Bond pursuant to this Section 3.21, and, in which case, the delivery of the Bond shall be conditioned upon the delivery by the purchaser thereof at closing of a certificate in form satisfactory to Bond Counsel regarding the suitability of the purchaser and restrictions on transfer of the Bond. The County shall not in such case be obligated to deliver a continuing disclosure certificate as otherwise provided in Exhibit "C" hereto.

[End of Article III]

ARTICLE IV

REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

Bonds shall be subject to redemption at the option of the County, in whole or in part, at any time on and after such Bond Payment Date and at such Redemption Price, not exceeding 102% of the principal amount of Bonds to be redeemed, as determined by the Chairman. The Chairman may elect that no Bond shall be subject to redemption. In no event shall the first redemption date applicable to the Bonds be less than five years or more than 14 years from the date of issuance thereof. Partial redemptions of Bonds shall be made of such maturities of Bonds as determined by the County.

Section 4.02 County's Election to Redeem.

In the event that the County shall, in accordance with the provisions of Section 4.01, elect to redeem Bonds, it shall give notice by County Request to the Registrar and Paying Agent, of each optional redemption. Each County Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the County specifying (i) the Bonds and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all Bonds or portions of Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of Bonds held by Holders to whom written notice has been mailed, and provided that for so long as the Bonds to be redeemed are held in book-entry only form, notice of such redemption may be given by electronic communication acceptable to DTC or the successor Securities Depository. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date. Interest on the Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice, unless the County defaults in making due provision for the payment of the redemption price thereof.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the County shall default in the payment of the Redemption Price and accrued

interest), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made available by the County to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to Be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry-only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the County in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent.

Section 4.06 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the County or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the County and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the County shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.13 hereof.

Section 4.07 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the County at any time with money available to it from any source. Upon any such purchase the County shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]

ARTICLE V

SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids - Form of Notice of Sale.

The Bonds shall be sold at a price not less than par and accrued interest to the date of delivery. Bids shall be received at such time and date selected by the Chairman. Subject to Section 3.21(d) herein, the form of the Official Notice of Sale, and the conditions of sale, shall be substantially those set forth in Exhibit "B" attached hereto and made a part hereof. Further subject to Section 3.21(d) herein, Bonds shall be advertised for sale in *The Bond Buyer* or in *The State*, which advertisement shall each appear at least once and not less than seven (7) days before the date set for said sale; such advertisement may be by way of a summary of the Official Notice of Sale.

Section 5.02 Award of Bonds; Naming of Registrar and Paying Agent.

Upon receipt of bids for the Bonds, the Chairman, or Vice-Chairman of the Council in the absence of the Chairman, is authorized to award the Bonds to the bidder offering the lowest net interest cost or true interest cost therefor, as set forth in the Official Notice of Sale, provided, however, that no award of the Bonds with a net interest cost in excess of 4.50% shall be made without prior approval of the Council by resolution supplemental hereto. The Chairman, or Vice-Chairman of the Council in the absence of the Chairman, is further authorized to name a financial institution to serve as Registrar and Paying Agent for such Series.

Section 5.03 Official Statement.

The County Administrator is hereby authorized to prepare, review and "deem final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission a preliminary official statement relating to the Bonds and to prepare a final official statement following the sale of Bonds. The preliminary official statement and final official statement may be disseminated in electronic format.

[End of Article V]

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

The proceeds derived from the sale of the Bonds issued pursuant to this Ordinance shall be paid to the Treasurer of Newberry County, South Carolina and shall be expended and made use of by the Council as follows:

(a) any accrued interest shall be applied to the payment of the first installment of interest to become due on such Series of Bonds;

(b) such principal proceeds of the Bonds, together with all premium, if any, received from the purchaser thereof in addition to the principal, sufficient in amount to redeem the Series 2001 Bonds shall be paid over to Carolina First Bank, the paying agent for the Series 2001 Bonds in accordance with Section 6.02 herein. All remaining proceeds of the Bonds shall be deposited into a special account and expended and made use of by the Council to defray costs of issuance of the Bonds. Pending the use of such Bond proceeds deposited with her, the same shall be invested and reinvested by the Treasurer of Newberry County, South Carolina, in Authorized Investments. All earnings from such investments determined by the Treasurer of Newberry County to be not necessary to defray costs of issuance of the Bonds shall be applied to the first maturing installments of interest due the Bonds.

Provided, that neither the purchaser nor any Holder of the Bonds shall be liable for the proper application of the proceeds thereof.

Section 6.02 Deposit With Paying Agent of Series 2001 Bonds; Notice; Redemption.

The Series 2001 Paying Agent shall hold all proceeds of the Bonds deposited with it in trust for the benefit of the holders of the Series 2001 Bonds until the same are redeemed. The County Administrator is authorized to instruct the Series 2001 Paying Agent as to investment of such proceeds pending the application thereof to the redemption of the Series 2001 Bonds. Such investment shall be consistent with the requirements of the law of the State and the ordinance by which issuance of the Series 2001 Bonds was authorized. The County Administrator is further authorized to give notice to the Series 2001 Paying Agent on behalf of the County, following the successful pricing of the Bonds, of its irrevocable election to redeem the Series 2001 Bonds. The County Administrator is also authorized to enter into any written agreement with the Series 2001 Paying Agent as may be necessary or convenient for the accomplishment of the purposes of this Bond Ordinance.

[End of Article VI]

ARTICLE VII

DEFEASANCE OF BONDS

Section 7.01 Discharge of Ordinance - Where and How Bonds Are Deemed to Have Been Paid and Defeased.

If all of the said Bonds issued pursuant to this Ordinance, and all 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 Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz.:

(1) The Paying Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(2) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Paying Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the County shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Paying Agent or Escrow Agent, as the case may be, 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 said Paying Agent or Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price and interest due and to become due on the Bonds on and prior to their maturity dates or redemption dates, as the case may be. In the event that the County shall elect to redeem Bonds prior to their stated maturities, the County shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.20 in the event that at the time of such election the Bonds Outstanding are issued in book-entry-only form.

Neither the Government Obligations nor moneys deposited with the Paying Agent or Escrow Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal Installment or Redemption Price, and interest on said Bonds; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Paying Agent or Escrow Agent, 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 Principal Installment or Redemption Price, and interest to become due on said Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and interest earned from such reinvestments not required for the payment of the Principal Installment or Redemption Price, and interest may be paid over to the County, as received by the Paying Agent or Escrow Agent, free and clear of any trust, lien or pledge.

[End of Article VII]

ARTICLE VIII

CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciary; Appointment and Acceptance of Duties.

The Paying Agent and Registrar hereunder shall accept the duties and trusts imposed upon it by the Ordinance and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar or as a successor Paying Agent shall signify its acceptance of the duties and trusts imposed by the Ordinance by a written acceptance.

Section 8.02 Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the County and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of the Ordinance or of any Bonds or as to the security afforded by the Ordinance, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Ordinance, shall examine such instrument to determine whether it conforms to the requirements of the Ordinance and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the County, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Ordinance in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter to be proved or established prior to taking or suffering any action under the Ordinance, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Ordinance upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may deem reasonable.

(c) Except as otherwise expressly provided in the Ordinance any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the County to any Fiduciary shall be sufficiently executed if executed in the name of the County by an Authorized Officer.

Section 8.04 Compensation.

The County shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under the Ordinance, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Ordinance. Subject to the provisions of Section 8.02 hereof, the County further agrees to indemnify and save each fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct; provided, however, that any specific agreement between the County and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts.

Any Fiduciary may become the owner or underwriter of any Bonds, notes or other obligations of the County or conduct any banking activities with respect to the County, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Ordinance.

Section 8.06 Resignation of Any Fiduciary.

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by the Ordinance by giving not less than 60 days written notice to the County and not less than 30 days written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the County pursuant to Section 8.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 8.07 Removal of Fiduciary.

Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the County and such Fiduciary, and signed by the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the County.

Section 8.08 Appointment of Successor Fiduciaries.

In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the County. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State of South Carolina, having a stockholders' equity of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

If in a proper case no appointment of a successor Fiduciary shall be made by the County pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the County written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary

shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under the Ordinance shall execute, acknowledge and deliver to its predecessor, and also to the County, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, on the written request of the County, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under the Ordinance, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the County be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the County. Any such successor Fiduciary shall promptly notify the Paying Agent and Depositaries, if any, of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by the Ordinance, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 8.11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under the Ordinance shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End of Article VIII]

ARTICLE IX

FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The County will comply with all requirements of the Code in order to preserve the tax-exempt status of the Bonds, including without limitation, (i) the requirement to file the applicable information report with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the County covenants to execute any and all agreements, certificates and other documentation as it may be advised by Bond Counsel will enable it to comply with this Section, and such agreements, certificates and other documentation may be executed by an Authorized Officer and by the County Administrator of the County or either of them.

The County hereby represents and covenants 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 Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the dates of original issuance of the Bonds. Without limiting the generality of the foregoing, the County represents and covenants that:

(a) All property provided by the net proceeds of the Series 2001 Bonds will be owned by the County in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The County shall not permit any facility financed with the proceeds of the Series 2001 Bonds 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 person other than a governmental unit as provided in Section 141(c) of the Code.

(c) 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 Series 2001 Bonds that do not conform to the guidelines set forth in Revenue Procedure 97-13, as may be subsequently modified by applicable pronouncements of the United States Treasury Department.

(d) The County will not sell or lease any property provided by the Series 2001 Bonds to any person unless it obtains the opinion of nationally recognized bond counsel that such lease or sale will not affect the tax exemption of the Bonds.

(e) The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code. The County has not entered into any leases or sales or service contract 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 Bonds.

Section 9.02 Ability to Meet Arbitrage Requirements; Bank Qualification.

Careful consideration has been given to the time in which the expenditures will be made. It has been ascertained that all of the money received from the proceeds of the Bonds will be expended within the limitations imposed by Section 148 of the Code and the Treasury regulations promulgated pursuant

thereto. Accordingly, the Council will be able to certify upon reasonable grounds that the Bonds herein provided for are not “arbitrage bonds” within the meaning of Section 148 of the Code.

Upon the issuance of the Bonds hereunder, the Chairman may elect to designate the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code if he reasonably expects, upon advice of Bond Counsel, that the aggregate principal amount of all tax-exempt obligations to be issued in the calendar year in which the Bonds will be issued by the County and entities subordinate thereto, except certain private activity bonds, will not exceed \$30 million, or \$10 million if the Bonds are issued in calendar year 2011 or thereafter.

[End of Article IX]

ARTICLE X

MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

Anything in this Ordinance to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the County pay such money to the County as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the County for the payment of such Bonds; provided, however, the Paying Agent shall forward to the County all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date, provided, however, that before being required to make any such payment to the County, the Paying Agent, at the expense of the County, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who would take if the Holder shall have died.

Section 10.02 Severability of Invalid Provisions.

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 10.03 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 10.04 Ordinance to Constitute Contract.

In consideration of the purchase and acceptance of the Bonds 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 Holder from time to time of the Bonds, 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 equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.05 Continuing Disclosure.

(a) In accordance with Act No. 442 of the Acts and Joint Ordinances of the General Assembly of the State of South Carolina for the year 1994, the County hereby covenants to file with a central repository for availability in the secondary bond market when requested (1) an annual independent audit, within thirty days of the County's receipt of the audit; and (2) event specific information, within thirty days of an event adversely affecting more than five percent of the County's revenue or tax base.

The only remedy for failure by the County to comply with the covenant in this Section 10.05 shall be an action for specific performance of this covenant. The Council specifically reserves the right to amend this covenant to reflect any change in Act 442 without the consent of any Bondholder.

(b) The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Section 10.05(b). The Continuing Disclosure Certificate shall be executed by an Authorized Officer prior to the delivery of the Bonds and shall be in such form as is set forth in Exhibit "C" hereto, together with such modifications and amendments thereto as shall be deemed necessary by such Authorized Officer, upon advice of counsel. The execution of the Continuing Disclosure Certificate shall constitute conclusive evidence of the approval by the person executing the same of any and all modifications and amendments thereto.

Section 10.06 Filing of Copies of Ordinance.

Copies of this Ordinance shall be filed in the offices of the Council, the office of the Clerk of Court for Newberry County, South Carolina (as a part of the Transcript of Proceedings) and at the offices of each of the Paying Agent and Registrar.

Section 10.07 Effective Date.

This Ordinance shall take effect upon its third reading and shall be forthwith codified in the Code of County Ordinances and indexed under the general heading "Bond Issue -- Not Exceeding \$2,970,000 General Obligation Refunding Bonds of Newberry County, South Carolina."

ENACTED this 21st day of July, 2010.

(SEAL)

Chairman, Newberry County Council

Attest:

Clerk, Newberry County Council

STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

I, the undersigned, Clerk to the County Council of Newberry County, South Carolina (“County Council”), 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. That each of said meetings was duly called, and all members of the County Council were notified of the same; that all/a majority of the membership were notified of each meeting and remained throughout the proceedings incident to the adoption of this Ordinance. Such Ordinance has not been amended, modified or rescinded as of the date hereof. 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 Clerk.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the County, this 21st day of July, 2010.

(SEAL)

Clerk, County Council of Newberry County,
South Carolina

First reading: June 16, 2010

Second reading: July 7, 2010

Third reading: July 21, 2010

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
NEWBERRY COUNTY
GENERAL OBLIGATION REFUNDING BOND
SERIES 201____

No. ____ \$_____

INTEREST RATE MATURITY DATE ORIGINAL ISSUE DATE CUSIP
_____ % March 1, 20____

Registered Holder: _____

Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that Newberry County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the registered owner 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 office of _____ (the "Registrar/Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until the County's obligation with respect to the payment of such principal sum shall be discharged. Interest on this bond is payable semiannually on March 1 and September 1 of each year commencing _____, 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 County maintained by the Registrar/Paying Agent at the close of business on the 15th day next 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 valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar/Paying Agent.

This bond is one of the Bonds (the "Bonds") of like date of original issue, tenor and effect, except as to number, date of maturity, denomination and rate of interest, issued in an original aggregate principal amount of \$_____, pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Sections 11-15-410 to 11-15-600, inclusive, Code of Laws of South Carolina, 1976, as amended, as amended and supplemented by Act No. 113 of the Acts and Joint Ordinances of the General Assembly of the State of South Carolina for the year 1999, as amended, and an ordinance duly adopted by the County Council of the County, its governing body, on ____ day of _____, 201_ (the "Ordinance"). Capitalized terms used but not defined herein shall have the meanings ascribed to them by the Ordinance.

For the payment of the principal of and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor the full faith, credit and taxing power of the County are hereby irrevocably pledged, and there shall be levied and collected annually a tax, without limit, on all taxable property in the County 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 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 Ordinance. 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 whole 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 County 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 County will not be responsible or liable for such transfers of payments or for maintaining, supervising 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 Ordinance and the Securities Depository.

[All Bonds maturing subsequent to _____, shall be subject to redemption at the option of the County in whole or in part at any time on and after _____ at _____.]

[If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected in accordance with the procedures of DTC or a successor securities depository or, if the Bonds are no longer in book-entry-only form, then by lot by the Registrar/Paying Agent. In the event this bond is redeemable as aforesaid, and shall be called for redemption, notice of the redemption hereof, describing this bond and specifying the redemption date and the redemption price payable upon such redemption, shall be mailed by the Registrar/Paying Agent by first class mail, postage prepaid, to the registered owner hereof not less than 30 days and not more than 60 days prior to the redemption date at such registered owner's address as it appears upon the registration books of the County, provided, as long as this bond is held in book-entry only form, then notice of redemption may be electronically transmitted in form acceptable to DTC or successor securities depository, if any. If this bond is redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for, interest hereon shall cease to accrue from and after the redemption date hereof.]

This bond is transferable only upon the books of the County kept for that purpose at the principal office of the Registrar/Paying Agent by the registered owner hereof in person or by his duly authorized attorney upon surrender of this bond together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner 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 herefor as provided in the Ordinance. The County and the Registrar/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, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes, but the interest hereon may be included in certain franchise fees or taxes.

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 general obligation and bonded indebtedness of the County does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

NEWBERRY COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
Chairman, County Council

Attest:

Clerk to Council, County Council

CERTIFICATE OF AUTHENTICATION

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

REGISTRAR

By: _____
Authorized Officer

Authentication Date: _____, 2010

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

(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)

(Signature must be guaranteed by a participant in the Securities Transfer Agent Medallions 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.

OFFICIAL NOTICE OF SALE
\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 201 __,
OF NEWBERRY COUNTY

SEALED PROPOSALS, addressed to the undersigned, will be received by the County Council of Newberry County, until _____ (local time) on _____, at which time said proposals will be publicly opened in the offices of Haynsworth Sinkler Boyd, P.A., 1201 Main Street, 22nd Floor, Columbia, South Carolina, 29201, for the purchase of _____ Dollars (\$ _____) of General Obligation Refunding Bonds, Series 201__ (the "Bonds"). The Bonds shall be payable as to principal as follows:

[Supplied at time of Publication]

The Bonds will be dated _____, 20__, and will bear interest from the date thereof, payable on each March 1 and September 1, beginning on ____, until they mature. Both principal and interest will be 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 at the Corporate Trust Office of the Registrar and Paying Agent of the Bonds. The County will select the Paying Agent and Registrar by a competitive bidding process.

[Optional Redemption: All Bonds maturing subsequent to March 1, 20__ shall be subject to redemption at the option of the County in whole or in part at any time on and after March 1, 20__ at ____% of par, together with accrued interest to the date fixed for redemption. Partial redemptions of Bonds shall be made of such maturities of Bonds as determined by the County.]

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 1/20th or 1/8th of 1% with no greater difference than 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 the Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds or a bid at a price less than par will not be considered. 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. Any premium offered must be paid in cash as a part of the purchase price for the Bonds.

Award of Bonds: The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest net interest cost (NIC) to the County from the date of delivery of the Bonds, excluding accrued interest. The Council 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 4:00 p.m., South Carolina time, on the date of the sale.

Adjustment of Par Amount of Bonds: If, after final computation of the proposals, the County 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, or, if the County determines that it is necessary to adjust debt service requirements of the Bonds in one or more years, it reserves the right to decrease or increase the principal amount of the Bonds of any maturity (all calculations to be rounded to the nearest \$5,000) by not exceeding 15%. In any event, the principal amount of the Bonds shall not exceed [\$_____]. 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 County 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. The total purchase price of the Bonds will be increased or decreased in the direct proportion that the adjustment bears to the aggregate principal amount of the Bonds specified herein; and the Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same reoffering yield as are specified by the successful bidder for the Bonds of that maturity. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest net 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.

Bid Submission: All bids for the purchase of the Bonds must be submitted to the County through the Parity Electronic Bid Submission System (“PARITY”). No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. The time as maintained by PARITY shall constitute the official time with respect to all bids submitted. Bids must be received by the County before the time stated above, and the County shall not be responsible for any delay, failure, misdirection or error in the means of transmission selected by any bidder. The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

If a bidder for the Bonds desires to have the Bonds insured, the bidder shall specify in its bid whether bond insurance will be purchased and the premium of such bond insurance must be paid at or prior to closing by the successful bidder.

If any provisions of this Official Notice of Sale conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about PARITY may be obtained from PARITY, 1359 Broadway, 2nd Floor, New York, NY 10019, telephone (212) 849-5021.

Purpose: The Bonds are being issued for the purpose of providing funds to redeem the County’s Series 2001 General Obligation Bonds, any applicable premium, and paying certain costs of issuance of the Bonds.

Security: The Bonds shall constitute binding general obligations of the County and the full faith, credit and taxing power of the County are irrevocably pledged for the payment of the Bonds. There shall be levied and collected annually in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Official Statement: The Preliminary Official Statement dated _____, 20__ has been deemed final by the County for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The County will furnish the successful bidder with a sufficient number of copies of the final Official Statement in order to allow the bidder to comply with the Rule, without charge, within seven working days of the acceptance of a bid for the Bonds. Copies of the Preliminary Official Statement in electronic format are available via www.i-dealprospectus.com.

Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, the County will undertake, pursuant to the ordinance authorizing the issuance of the Bonds and a Continuing

Disclosure Certificate, to annually file a report containing its audited financial statements and certain financial information and operating data, and, in addition, to provide notice of certain material events. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement.

Closing Certificates: The County shall furnish upon delivery of the Bonds the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Columbia, South Carolina, together with closing proofs including (a) a certificate that there is no litigation threatened or pending to restrain the issuance or sale of said Bonds, (b) a certificate establishing that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations as in effect on the occasion of the delivery of the Bonds, and (c) certification by an appropriate official to the effect that the Official Statement, as of its date and as of the date of delivery of the Bonds does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included therein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

Certificates as to Issue Price and Yield: The successful bidder for the Bonds must provide a certificate to the County not later than two business days following the sale date, and confirmed by a certificate delivered at closing, 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. As a condition precedent to the delivery of the Bonds and in order to assist the County in compliance with applicable federal tax law, bidders must certify to the County the “yield” on the Bonds, calculated in accordance with Section 1.148-4 of the United States Treasury Regulations.

Delivery: The Bonds will be delivered on or about _____, 20__ through the facilities of DTC at the expense of the County, or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in Federal funds or other immediately available funds. The cost of preparing the Bonds will be borne by the County.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Additional Information: Persons seeking further fiscal information relative to the County should communicate with Mr. Wayne Adams, County Administrator, Newberry County, 1309 College Street, Newberry South Carolina, telephone: (803) 321-2100. Persons seeking additional information regarding the Bonds should communicate with Bond Counsel, Haynsworth Sinkler Boyd, P.A., Post Office Box 11889, Columbia, South Carolina 29211, Attn: Theodore B. DuBose, telephone (803) 540-7830.

This Notice is given to evidence the County's intent to receive bids for and award the Bond on the date stated above. Such sale may be postponed prior to the time bids are to be received and as published on Thomson Municipal Market Monitor, Bloomberg, or other electronic information service. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of this Official Notice of Sale, and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids on Thomson Municipal Market Monitor, Bloomberg, i-dealprospectus.com or other electronic information service.

Chairman, County Council
Newberry County

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered this __ day of _____, 200_, by Newberry County, South Carolina (the "County") in connection with the issuance of the County's \$_____ General Obligation Bonds, Series 201__ (the "Series 201__ Bonds"). The Bonds are being issued pursuant to the Constitution and the laws of the State of South Carolina, including particularly an ordinance enacted on _____ day of _____, 2010, authorizing the issuance of not exceeding \$2,970,000 general obligation bonds (the "Ordinance"). The County covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with Securities Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" or "Holder" shall mean the registered holder of any of the Bonds and any Beneficial Owner of the Bonds.

"Dissemination Agent" shall mean the Issuer or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer 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 the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the 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 depository or entity designated by the State as a state depository for the purpose of the Rule. As of the date of this Certificate, there is no state depository established in South Carolina.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than February 1 of each year, commencing February 1, 2011 provide 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 said date, the Issuer shall provide the Annual Report to the Dissemination Agent, if other than the Issuer. 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 Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Council in substantially the form attached as Appendix I.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for providing the Annual Report the name and address of the National Repository and each State Depository, if any; and,
- (ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports.

(a) The audited Comprehensive Annual Financial Report of the County for the fiscal year ended on the previous June 30, prepared in accordance with generally accepted accounting principles applicable to government entities from time to time by the Governmental Accounting Standards Board. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall include unaudited financial statements in a format similar to the financial statements contained in the Official Statement or summarized under the heading, "THE COUNTY – Five Year Summary of General Fund Operations", and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Total expected appropriations to the Issuer from the State of South Carolina for the then current Fiscal Year;

(c) Most recently finalized Market Value/Assessment Summary, including manufacturers' property exempt from taxes of Issuer;

(d) Tax levy and collections for prior Fiscal Year;

(e) Ten Largest Taxpayers for prior Fiscal Year;

(f) Tax Levy (in mills) for then current Fiscal Year;

(g) Summary of General Fund Budget for then current Fiscal Year;

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County, which have been submitted by the County to each of the Repositories. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so included by reference.

SECTION 4. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following 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 or events affecting the tax-exempt status of the Bonds;
- (7) Modifications to rights of Bondholders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing the repayment of the Bonds;
and
- (11) Rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event and such Listed Event is material, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Council and each State Repository, provided, however, that any event under subsection (a) (3), (4) or (5) will always be deemed to be material, and provided further that notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 5. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 6. Dissemination Agent. The Issuer 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 Issuer.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer 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, 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. With respect to any amendment to this Disclosure Certificate:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person, or type of business conducted;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment, in the opinion of said counsel, does not materially impair the interests of Holders of the Bonds.

In the event of an amendment hereto, any Annual Report provided pursuant to Section 4 herein which contains amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer 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 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 10. 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 Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, 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.

NEWBERRY COUNTY, SOUTH CAROLINA

County Administrator

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORTS

Name of Issuer: Newberry County, South Carolina

Name of Bond Issue: \$ _____ General Obligation Bonds, Series 201 _____

Date of Issuance: _____, 201__

CUSIP Prefix: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-referenced Bonds as required by Section 3 of the Continuing Disclosure Certificate dated _____, 2010. The Issuer anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____

NEWBERRY COUNTY, SOUTH CAROLINA

By: County Administrator