

**RESOLUTION****AUTHORISING THE ISSUANCE AND SALE OF NOT EXCEEDING \$1,500,000 GENERAL OBLIGATION BONDS OR, IN THE ALTERNATIVE, BOND ANTICIPATION NOTES OF THE TOWN OF LEXINGTON, SOUTH CAROLINA; AND OTHER MATTERS RELATED THERETO.**

**WHEREAS**, the Town Council (the "Town Council") of the Town of Lexington, South Carolina (the "Issuer"), a body politic and corporate and a municipal corporation under the laws of the State of South Carolina, the governing body of the Issuer, has previously enacted an ordinance on September 4, 2012 (the "Bond Ordinance"), authorising the issuance of general obligation bonds of the Issuer in the principal amount of not exceeding \$3,300,000 (the "Bonds"), to make provision for the construction, establishment, maintenance, and improvement of off-street parking facilities, to include motor vehicular parking facilities of all sorts, including parking lots, buildings, or ramps (as more fully defined in the Bond Ordinance, the "Project") pursuant to the provisions of Title 5, Chapters 21 and 29 of the Code of Laws of South Carolina 1976, as amended (collectively, the "Bond Enabling Statute"); and

**WHEREAS**, the Issuer intends to provide permanent financing for the Project through the issuance of the Bonds pursuant to the Bond Enabling Statute; and

**WHEREAS**, the Bonds will be general obligations of the Issuer, secured by a pledge of the Issuer's full faith, credit, and taxing powers; and

**WHEREAS**, pending the issuance of the Bonds, the Issuer has previously issued its \$1,590,000 General Obligation Bond Anticipation Notes of 2016 (the "Series 2016 BANs"), which mature on January 12, 2017, to provide interim financing for the Project; and

**WHEREAS**, Article X, Section 14, Paragraph 8 of the Constitution of the State of South Carolina authorises the Town Council to incur general obligation indebtedness in anticipation of the proceeds of general obligation bonds, subject to the 8% constitutional debt limit, for all corporate purposes of the Town, including any public purpose necessary or convenient to the welfare of the Town; and

**WHEREAS**, pursuant to the authorisations of Article X, Section 14, Paragraphs 7 and 8 of the South Carolina Constitution, for the purposes set forth above, and subject to an eight per centum (8%) constitutional debt limit, the Town is authorised to incur general obligation indebtedness; the assessed value of all taxable property in the Town is currently \$100,778,920; and the Town has \$2,425,000 of bonded indebtedness, including \$835,000 of outstanding general obligation bonds and \$1,590,000 of outstanding general obligation bond anticipation notes, which counts against its 8% constitutional debt limit; consequently, the Town may incur additional general obligation indebtedness in the amount of \$5,637,314 without conducting a referendum; and

**WHEREAS**, upon the maturity of the Series 2016 BANs, the Issuer desires to issue bonds in the principal amount of not exceeding \$1,500,000 (the “Bonds”), as provided by Article IV, Section 1 of the Bond Ordinance and as further provided herein and to pay the principal and interest due on the Series 2016 BANs; and

**WHEREAS**, the Issuer’s Independent Registered Municipal Advisor, Municipal Advisors Group of Boston, Inc. (the “Financial Advisor”) has delivered an analysis, recommending a private placement of the Bond or Bonds to permanently finance the maturing Series 2016 BANs, as well as authorization of issuance of replacement Notes (the “Notes”) in the event that terms of a private placement of the Bond or Bonds are not satisfactory to the Issuer, and has delivered a form of request for proposals (“Request for Proposals”) to the Town for the direct placement of the Bond or Bonds;

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Lexington, South Carolina in Council assembled, and by the authority thereof, as follows:

## **ARTICLE I DEFINITIONS**

### Section 1.01 Defined Terms.

In addition to the terms defined in the preambles to this Resolution, the defined terms defined in this Resolution (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings specified in the Bond Ordinance.

### Section 1.02 General Rules of Interpretation.

(a) Articles, Sections, and Paragraphs mentioned by number are the respective Articles, Sections, and Paragraphs of this Resolution so numbered.

(b) Except as otherwise expressly provided or unless the context otherwise requires, words importing persons include, firms, associations, and corporations and the masculine includes the feminine and the neuter.

(c) Words importing the redemption or redeeming or calling for redemption of the Bonds do not include or connote the payment of such Bonds at their stated maturity or the purchase of such Bonds.

(d) Words importing the singular number include the plural number and *vice versa*.

**ARTICLE II**  
**AUTHORISATION AND ISSUANCE OF BONDS**

Section 2.01 Issuance of Bonds.

(a) Pursuant to the constitutional and statutory authorisation cited above, and to the authorisation of the Town Council as set forth in the Bond Ordinance and this Resolution, in order to obtain funds to pay (i) the Series 2016 BANs when they mature, and (ii) costs of issuance of the Bonds, if any, the Issuer shall borrow an amount determined by the Mayor not to exceed \$1,500,000 to be evidenced by one or more series of Bonds, dated the date of their delivery, and maturing on a date which is not greater than ten (10) years after their date of delivery. The Bonds shall be designated "General Obligation Bonds, Series 2017."

(b) The Issuer shall prepare and distribute, with the assistance of the Financial Advisor and Bond Counsel, a request for proposals (the "RFP") from qualified financial institutions for the private placement of the Bonds. The Financial Advisor shall provide a comparison and analysis of the RFP responses to assist the Issuer in the evaluation of the RFP responses and, upon review of the RFP responses and the Financial Advisor's analysis, the Issuer shall select the firm (the "Selected Institution") with which to privately place the Bonds, based upon the most responsive proposal as determined by the Mayor upon the advice of the Financial Advisor and Bond Counsel.

Section 2.02 Form of Bonds.

(a) The Bonds shall be issued in the aggregate principal amount of not exceeding \$1,500,000, in the form of a single bond certificate numbered R-1 or in the form of multiple bond certificates number R-1 and upward, and shall be in substantially the form attached to the Bond Ordinance as Exhibit A, with any necessary changes or appropriate variations, omissions, and insertions as are incidental to the series, numbers, denominations, and registration and transfer provisions as are otherwise permitted or required by law or this Resolution.

(b) The Bonds shall be payable, both principal and interest, in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. Principal of and interest on the Bonds shall be paid when due to the Bondholders by the Paying Agent from moneys on deposit in the Paying Agent Fund to be established with and administered by the Paying Agent.

Section 2.03 Execution of Bonds.

The Bonds shall be executed in the name of the Issuer by the Mayor, and attested by the Municipal Clerk, by their manual or facsimile signatures, provided that in the event that both such signatures are facsimile signatures, the Bonds shall be of no effect unless and until they are authenticated by the manual signature of an authorized officer of a bank that is named by the Mayor as authenticating agent, and the seal of the Issuer shall be impressed or reproduced on each Bond. Any facsimile signature appearing on the Bonds may be those of the officers who are in office on the date of the adoption of this resolution. The Bonds shall be executed in



respect of any manual signature by the person or persons holding office when such Bonds are ready for delivery. The execution of the Bonds in this fashion shall be valid and effectual notwithstanding changes in the personnel of any of the above offices subsequent to their execution.

Section 2.04 Interest Rates on Bonds.

The Bonds shall bear interest at such interest rate or rates as approved and designated by the Mayor, not to exceed 4.0%, which interest shall be payable on such interest payment dates as approved by the Mayor.

Section 2.05 Selection of Paying Agent.

The Mayor shall designate, if it shall be determined by him in his sole discretion to be necessary or otherwise in the best interest of the Issuer to do so, a paying agent for the Bonds.

Section 2.06 Prepayment or Redemption of Bonds.

(a) The Bonds shall be subject to prepayment or prior redemption upon the terms and conditions as approved by the Mayor.

(b) Any notice of redemption of Bonds will be given by the Issuer by mailing it by first class mail, not less than 30 days nor more than 60 days prior to the redemption date, to the registered owner of each Bond called for redemption. Interest on the Bonds or portion thereof to be redeemed shall cease to accrue from and after the redemption date, unless the Issuer defaults in making due provision for the payment of the redemption price thereof.

Section 2.07 Sale of Bonds.

(a) Pursuant to the authority granted the Issuer by Section 11-27-40(4) of the Code of Laws of South Carolina 1976, as amended ("Section 11-27-40(4)"), the Bonds shall be sold at private sale to the Selected Institution pursuant to the procedure set forth in Section 2.01(b) hereof and as required by Section 11-27-40(4).

(b) Not less than seven days prior to their delivery, notice of intention to sell the Bonds at private sale shall be given by publication in a newspaper of general circulation in the Town of Lexington, as required by Section 11-27-40(4). Such notice shall set forth the purchaser, the purchase price, interest rates, and maturity schedule of such Bonds.

**ARTICLE III  
APPLICATION OF BOND PROCEEDS**

Section 3.01 Application of Bond Proceeds.

All proceeds of the Bonds shall be applied as directed by the Mayor to pay the principal and interest of the Series 2016 BANs when they mature, and issuance costs of the Bonds. If there are proceeds of the Bonds remaining, such proceeds may be applied to pay interest coming due on the Bonds.

Section 3.02 Purchaser Not Liable for Proper Application of Proceeds.

No purchaser or holder of the Bonds shall be liable for the proper application of the proceeds thereof.

**ARTICLE IV  
SECURITY FOR THE BONDS**

Section 4.01 Performance of Covenants; Authority of the Issuer.

The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Bond Enabling Statute, in the Bond Ordinance, in this Resolution, in the Bonds executed and delivered hereunder, and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue the Bonds authorized hereby, to enact the Bond Ordinance, to adopt this Resolution, and to pledge the proceeds of the Bonds pledged in the manner and to the extent set forth; that all action on its part for the issuance of the Bonds, the enactment of the Bond Ordinance, and the adoption of the Resolution has been duly and effectively taken; and that the Bonds in the hands of the holders thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 4.02 Pledge of Full Faith, Credit, and Taxing Power.

For the payment of the principal 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 Issuer are irrevocably pledged, and there shall be levied annually and collected by the Issuer, in the same manner as other Issuer taxes are levied and collected, a tax, without limit, on all taxable property in the Issuer, sufficient to pay the principal and interest of the Bonds as they respectively mature, and to create such sinking fund as may be necessary therefor.

Section 4.03 Levy and Collection of Property Taxes.

The Auditor and Treasurer of Lexington County, South Carolina, shall be notified of this issue of Bonds and directed to levy and collect, respectively, upon all taxable property in the

Issuer, an annual tax, without limit, sufficient to meet the payment of the principal of and interest on the Bonds, as the same respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

## **ARTICLE V CONTINUING DISCLOSURE UNDERTAKING**

### Section 5.01 Continuing Disclosure Undertaking.

Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended (“Section 11-1-85”), the Town Council covenant to file with a central repository for availability in the secondary bond market when requested:

(a) An annual independent audit, within thirty days of the Town Council’s receipt of the audit; and

(b) Event specific information within 30 days of an event adversely affecting more than five percent of the aggregate of revenues of the Issuer.

The only remedy for failure by the Town Council to comply with the covenant in this Section 5.02 shall be an action for specific performance of this covenant. The Town Council specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any registered owner of any Bonds.

## **ARTICLE VI AUTHORISATION AND ISSUANCE OF NOTES**

### Section 6.01 Constitutional and Statutory Authorisation of Notes.

The Issuer is authorised and empowered by Subsection 9 of Section 14 of Article X of the South Carolina Constitution, by the Note Enabling Act, and by the Bond Ordinance to borrow pursuant to the provisions thereof in anticipation of the receipt of the proceeds of the Bonds.

### Section 6.02 Issuance of Notes.

(a) Pursuant to the constitutional and statutory authorisation cited above, in order to obtain funds to pay (i) the Series 2016 BANs when they mature, and (ii) costs of issuance of the Notes, if any, the Issuer may borrow an amount determined by the Mayor not to exceed \$1,500,000 to be evidenced by one or more series of Notes, in lieu of Bonds, dated the date of their delivery, and maturing on a date which is not greater than one (1) year after their date of delivery. The Notes shall be designated “General Obligation Notes, Series 2017.”

(b) The Notes may be renewed from time to time in the event the Bonds are not issued prior to their maturity, pursuant to authorisation of the Town Council by resolution to be duly adopted.

Section 6.03 Form of Notes.

(a) The Notes shall be issued in the aggregate principal amount of not exceeding \$1,500,000, in denominations as approved by the Mayor, may be numbered from R-1 and upward consecutively, and shall be in substantially the form attached to the Bond Ordinance as Exhibit D, with any necessary changes or appropriate variations, omissions, and insertions as are incidental to the series, numbers, denominations, and registration and transfer provisions as are otherwise permitted or required by law or the Bond Ordinance.

(b) The Notes shall be payable, both principal and interest, in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. Principal of and interest on the Notes shall be paid when due to the Noteholders by the Paying Agent from moneys on deposit with the Paying Agent for such purpose.

Section 6.04 Interest Rates on Notes.

The Notes shall bear interest at such interest rate or rates as approved by the Mayor, which interest shall be payable at the maturity of the Notes and on such other interest payment dates as approved by the Mayor.

Section 6.04 Other Terms and Conditions of Notes.

All other terms and conditions provided for the issuance of the Notes shall be as prescribed therefor in the Bond Ordinance, or as shall be approved by the Mayor.

**ARTICLE VII  
MISCELLANEOUS**

Section 7.01 Execution of Closing Documents and Certificates: Validity of Executed Documents.

The Mayor, the Municipal Clerk, the Town Administrator, the Assistant Town Administrator, the Finance Director, and all other officials and employees of the Issuer are fully authorised and empowered to take any further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorised and the action of the officers or any one or more of them in executing and delivering any documents, in the form as he or they shall approve, is hereby fully authorised. Upon the execution of documents by such officials and employees of the Issuer, such documents shall remain the valid and binding obligations of the Issuer notwithstanding that any such official or employee shall cease to maintain such office or position.



Section 7.02 Mayor Pro Tempore May Act in Mayor's Absence; Acting Municipal Clerk May Act in Municipal Clerk's Absence.

In the absence of the Mayor, the Mayor *Pro Tempore* of the Town Council, or such other person or persons as the Mayor shall designate, is fully authorized to exercise all powers vested in the Mayor under this Resolution. In the absence of the Municipal Clerk, the acting or assistant Municipal Clerk is fully authorized to exercise all powers and take all actions vested in the Municipal Clerk under this Resolution.

Section 7.03 Benefits of Resolution Limited to the Issuer and Holder of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any person other than the Issuer and the holder of the Bonds, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Issuer and the holder from time to time of the Bonds as herein and therein provided.

Section 7.04 Resolution Binding Upon Successors or Assigns of the Issuer.

All the terms, provisions, conditions, covenants, warranties, and agreements contained in this Resolution shall be binding upon the successors and assigns of the Issuer and shall inure to the benefit of the holder of the Bonds.

Section 7.05 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Resolution or the Bonds, against any member of the Town Council, or any officer or employee of the Issuer, as such, in his or her individual capacity, past, present, or future.

Section 7.06 Effect of Saturdays, Sundays, and Holidays.

Whenever this Resolution requires any action, including the payment of principal or interest on the Bonds, to be taken on a Saturday, Sunday, or legal or public holiday or bank holiday in the State of South Carolina, the action shall be taken on the secular or business day next succeeding the holiday. Whenever in this Resolution the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal or public holiday or bank holiday in the State of South Carolina, the time shall continue to run until midnight on the next succeeding secular or business day.



Section 7.07 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in said State.

Section 7.08 Effect of Article and Section Headings and Table of Contents.

The headings or title of the several Articles and Sections hereof, and any Table of Contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation, or effect of this Resolution.

Section 7.09 Savings Provision.

If any section, paragraph, clause, or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 7.10 Repealing Clause.

All resolutions or parts thereof inconsistent herewith shall be, and the same are hereby, repealed to the extent of the inconsistencies.


**DONE IN MEETING DULY ASSEMBLED** this 5 day of December, A.D. 2016.

**TOWN OF LEXINGTON, SOUTH CAROLINA**

(SEAL)

  
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Mayor, Town of Lexington

Attest:

  
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Municipal Clerk, Town of Lexington