

COUNTY COUNCIL OF BEAUFORT COUNTY
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
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DEPUTY COUNTY ADMINISTRATOR

THOMAS J. KEAVENY, II
COUNTY ATTORNEY

ASHLEY M. BENNETT
CLERK TO COUNCIL

AGENDA
FINANCE COMMITTEE

Monday, April 24, 2017

3:00 p.m.

Executive Conference Room, Administration Building
Beaufort County Government Robert Smalls Complex
100 Ribaut Road, Beaufort

Committee Members:

Jerry Stewart, Chairman
Michael Covert, Vice Chairman
Rick Caporale
Gerald Dawson
Brian Flewelling
Steven Fobes
Stu Rodman

Staff Support:

Suzanne Gregory, Employee Services Director
Alicia Holland, CPA, Assistant County Administrator, Finance
Chanel Lewis, CGFO, Controller

1. CALL TO ORDER – 3:00 P.M.
2. DISCUSSION / BEAUFORT COUNTY / FY2017-2018 BUDGET
3. FRIPP ISLAND PUBLIC SERVICE DISTRICT / GENERAL OBLIGATION BONDS
 - A. A RESOLUTION CALLING FOR A PUBLIC HEARING TO BE HELD UPON THE QUESTION OF THE ISSUANCE OF GENERAL OBLIGATION BONDS, NOT TO EXCEED \$5,500,000 ([backup](#))
 - B. AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, NOT TO EXCEED \$5,500,000 PENDING REFERENDUM APPROVAL ([backup](#))
4. ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS NOT TO EXCEED \$17,500,000 SERIES 2007 AND 2011 BONDS ([backup](#))
5. RESOLUTION / FY2017-2018 HOSPITALIZATION AND GENERAL BENEFITS RENEWALS; GROUP HEALTH, DENTAL, VISION PLAN, SHORT & LONG TERM DISABILITY AND LIFE INSURANCE
6. DISCUSSION / THE ORIGINAL GULLAH FESTIVAL OF SOUTH CAROLINA, INC. / PRESIDENT'S CIRCLE LEVEL CONTRIBUTION ([backup](#))
7. ADJOURNMENT

2017 Strategic Plan Committee Assignments

USC-Beaufort/TCL Campus Building
Comprehensive Impact Fee Review
Priority Investment – Capital Projects Long-Term Prioritized Requirements
Comprehensive Financial Plan: Revenues and Expenditures
Salary and Compensation Study Implementation
Reserve Policy: Revision
Countywide Information Technology Plan
Budget FY 2017-2018: Tax



A RESOLUTION 2017 /

CALLING FOR A PUBLIC HEARING TO BE HELD UPON THE QUESTION OF THE ISSUANCE OF NOT EXCEEDING \$5,500,000 OF GENERAL OBLIGATION BONDS OF FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED, by the County Council of Beaufort County (the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”):

WHEREAS, the County Council is empowered by Act No. 1189 enacted at the 1974 Session of the South Carolina General Assembly entitled:

AN ACT TO AUTHORIZE THE GOVERNING BODIES OF ALL COUNTIES OF THE STATE WHEREIN EXIST SPECIAL PURPOSE DISTRICTS CREATED PRIOR TO MARCH 7, 1973, TO ISSUE BONDS OF SUCH DISTRICTS IN FURTHERANCE OF POWERS EXISTING IN SUCH DISTRICTS AS OF MARCH 7, 1973; TO PROVIDE THE PROCEDURES PURSUANT TO WHICH SUCH BONDS MAYBE ISSUED; TO PRESCRIBE THE TERMS AND CONDITIONS UNDER WHICH BONDS MAYBE ISSUED AND THEIR PROCEEDS EXPENDED; TO MAKE PROVISION FOR THE PAYMENT OF SUCH BONDS AND TO VALIDATE ALL BONDS OF SUCH DISTRICTS ISSUED OR SOLD PRIOR TO THE EFFECTIVE DATE OF THIS ACT.

approved July 9, 1974, as amended (hereinafter called the “*Enabling Act*”), to authorize the governing body of any special purpose district created prior to March 7, 1973 and located in whole or in part within the County to issue general obligation bonds of such special purpose district in order to provide funds to be used in the furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973; and

WHEREAS, the Fripp Island Public Service District, South Carolina (hereinafter called the “*District*”) is a special purpose district located within the County created prior to March 7, 1973, having been created by Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended, and is authorized, inter alia, to acquire, build, operate, and maintain such facilities as shall be required for (i) the provision of water, (ii) fire-fighting, (iii) waste water treatment, (iv) beach erosion control and prevention, (v) construction and maintenance of roads, (vi) insect control, and (vii) recreational purposes, and to do all things necessary or convenient to carry out such authority; and

WHEREAS, the District has determined that it is currently in need of funds to address and remediate damage to the District from Hurricane Matthew to protect the District from erosion and will soon be in need of funds to relocate and replace the sole water line connecting the

District with the mainland in connection with the South Carolina Department of Transportation's replacement of the bridge between St. Helena Island and Harbor Island.

WHEREAS, the Fripp Island Public Service District Commission (the "**Commission**"), has petitioned the County Council to authorize the issuance of not exceeding \$5,500,000 of general obligation bonds of the District (the "**Bonds**") in order to defray (A) (i) the costs of repairing, reconstructing and mitigating certain District revetments and related infrastructure, and (ii) the costs of relocating and replacing certain water transmission and related infrastructure in connection with the replacement of the Harbor River Bridge ((i) and (ii)) the "**Projects**"), and (B) the costs of issuance of the Bonds; and

WHEREAS, the Commission will make a final determination of the scope and description of the Projects prior to its adoption of a resolution authorizing the issuance of the Bonds, provided that the principal amount of the Bonds shall not exceed \$5,500,000; and

WHEREAS, the County Council is now minded to proceed in accordance with the provisions of the Enabling Act with respect to the issuance of the Bonds.

NOW THEREFORE, BE IT RESOLVED, by the County Council in a meeting duly assembled:

SECTION 1. The County Council finds that it may be in the interest of the District to raise moneys for the purpose of providing for the Projects, and in that connection hereby orders a public hearing to be held upon the question of the issuance of the Bonds.

SECTION 2. A public hearing shall be held on the question of the issuance of the Bonds in the Large Meeting Room of the Bluffton Branch Library located at 120 Palmetto Way, Bluffton, South Carolina 29910, on the 22nd day of May, 2017 at 6:30 p.m., and the notice of such hearing attached hereto as Exhibit A shall be published once a week for three (3) successive weeks in The Beaufort Gazette, which is a newspaper of general circulation in the County. The first such publication shall not be less than sixteen (16) days prior to the hearing date.

SECTION 3. The aforesaid public hearing shall be conducted publicly at the time and place above stated and both proponents and opponents of the proposed issuance of the Bonds shall be given a full opportunity to be heard in person or by counsel.

SECTION 4. Following the above aforesaid public hearing, the County Council shall determine whether and to what extent the Bonds may be issued and whether to condition the issuance of the Bonds on a referendum in the District.

SECTION 5. The Chairman of the County Council is hereby authorized and empowered to take all necessary action to provide for the holding of the aforesaid public hearing in accordance with the provisions of the Enabling Act.

DONE AT BEAUFORT, SOUTH CAROLINA, this _____ day of April, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

NOTICE OF PUBLIC HEARING ON THE PROPOSED ISSUE OF NOT EXCEEDING \$5,500,000 OF GENERAL OBLIGATION BONDS OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA

The County Council of Beaufort County (hereinafter called the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”), has determined that it may be in the interest of the Fripp Island Public Service District, South Carolina (hereinafter called the “*District*”), to raise moneys through the issuance of not exceeding \$5,500,000 of general obligation bonds of the District (the “*Bonds*”). The District has determined that it is currently in need of funds to address and remediate damage to the District from Hurricane Matthew to protect the District from erosion and will soon be in need of funds to relocate and replace the sole water line connecting the District with the mainland in connection with the South Carolina Department of Transportation’s replacement of the bridge between St. Helena Island and Harbor Island. Accordingly, the District proposes to issue the Bonds in order to defray (A) (i) the costs of repairing, reconstructing and mitigating certain District revetments and related infrastructure, and (ii) the costs of relocating and replacing certain water transmission and related infrastructure in connection with the replacement of the Harbor River Bridge ((i) and (ii)) the “*Projects*”), and (B) the costs of issuance of the Bonds. The District estimates that the cost of the acquiring, designing, engineering, constructing and equipping of the Projects and the cost of issuance of the Bonds, will be an amount not exceeding \$5,500,000. Therefore, the County Council has ordered a public hearing to be held upon the question of the issuance of the Bonds in accordance with the provisions of Act No. 1189 enacted at the 1974 Session of the South Carolina General Assembly, as amended (hereinafter called the “*Enabling Act*”).

Accordingly, notice is hereby given that a public hearing will be held in the Large Meeting Room of the Bluffton Branch Library located at 120 Palmetto Way, Bluffton, South Carolina 29910, on the 22nd day of May, 2017 at 6:30 p.m., on the question of the issuance of the Bonds, the proceeds of which will be expended to defray the cost of the Projects as described above and issuance costs thereof.

For the payment of principal 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 District shall be irrevocably pledged, and there shall be levied on all taxable property in the District ad valorem taxes sufficient in amount to pay said principal and interest on the Bonds.

The District proposes the issuance of the Bonds to defray the cost of the Projects as described above and the costs of issuance of the Bonds.

The aforesaid hearing shall be conducted publicly and both proponents and opponents of the proposed action shall be given full opportunity to be heard in person or by counsel. Following the hearing, the County Council shall, by ordinance, make a finding as to whether and to what extent the Bonds should be issued and whether to condition the issuance of the Bonds on a referendum, and may thereupon authorize the governing body of the District to issue the Bonds to the extent it shall be found necessary.

The District is located within the County. The Enabling Act provides that bonds issued thereunder must be authorized by the governing body of the county wherein the District is located.

COUNTY COUNCIL OF BEAUFORT COUNTY

AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$5,500,000, SUBJECT TO A SUCCESSFUL REFERENDUM IN THIS DISTRICT; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:

Section 1. The County Council of Beaufort County, South Carolina (the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”), hereby finds and determines:

(a) The Fripp Island Public Service District, South Carolina (the “*District*”) is a special purpose district established pursuant to the provisions of Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended (“*Act No. 1042*”).

(b) The corporate powers and duties of the District are performed by the Fripp Island Public Service District Commission (the “*Commission*”), and as such, the Commission is the governing body of the District.

(c) Act No. 1042 committed to the District various duties and responsibilities, and is authorized, inter alia, to acquire, build, operate, and maintain such facilities as shall be required for (i) the provision of water, (ii) fire-fighting, (iii) waste water treatment, (iv) beach erosion control and prevention, (v) construction and maintenance of roads, (vi) insect control, and (vii) recreational purposes, and to do all things necessary or convenient to carry out such authority.

(d) The District has determined that it is currently in need of funds to address and remediate damage to the District from Hurricane Matthew to protect the District from erosion and will soon be in need of funds to relocate and replace the sole water line connecting the District with the mainland in connection with the South Carolina Department of Transportation’s replacement of the bridge between St. Helena Island and Harbor Island.

(e) In carrying out its functions and duties, the Commission has determined that a need exists at the present time to issue general obligation bonds (the “*Bonds*”) in order to defray: (A) (i) the costs of repairing, reconstructing and mitigating certain District revetments and related infrastructure, and (ii) the costs of relocating and replacing certain water transmission and related infrastructure in connection with the replacement of the Harbor River Bridge ((i) and (ii)) the “*Projects*”), and (B) the costs of issuance of the Bonds. The Commission estimates that the costs of designing, planning, acquiring, engineering, constructing, improving and equipping of the Project, and the cost of issuance of the Bonds, will not exceed \$5,500,000.

(f) The Commission, on behalf of the District, has submitted a petition to the County Council requesting authorization to issue the Bonds in order to finance the costs of the Project and the costs of issuance thereof.

(g) Pursuant to Title 6, Chapter 11, Article 5, of the Code of Laws of South Carolina, 1976, as amended (the “**Enabling Act**”), the County Council is empowered to authorize the Commission to issue bonds of the District, the proceeds of which are to be used in furtherance of any power of the District.

(h) Responsive to the petition of the Commission, the County Council adopted a resolution calling for a public hearing on the question of the issuance of the Bonds be held in the Bluffton Branch Library located at 120 Palmetto Way, Bluffton, South Carolina 29910, on the 22nd day of May, 2017 at 6:30 p.m., and notice of such hearing has been duly published once a week for three successive weeks in The Beaufort Gazette, a newspaper of general circulation in the County. Such public hearing was held by the County Council on May 22, 2017, on the question of the issuance of the Bonds, where both proponents and opponents were given the opportunity to be heard.

(i) Following the May 22, 2017 public hearing, the County Council has determined to condition the issuance of the Bonds upon the result of a special election held in the District on the question of the issuance of the Bonds (the “**Bond Referendum**”). Such Bond Referendum shall be conducted pursuant to Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended, as required by the Enabling Act.

(j) Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended (the “**Constitution**”), provides that the General Assembly may, by general law, prescribe that general obligation debt may be incurred by the governing body of any special purpose district for any of its corporate purposes in an amount not exceeding eight percent of the assessed value of all taxable property of such district (the “**Bonded Debt Limit**”). The County Council, by separate resolution, dated the date hereof, has ordered the Bond Referendum be held, and specified other details of the Bond Referendum therein. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the special purpose district voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article. Such Bonds, when and if issued pursuant to a successful Bond Referendum, would not be restricted by, or count toward, the Bonded Debt Limit, in accordance with the Constitution and laws of the State of South Carolina.

Section 2. Should the Bond Referendum result favorably to the issuance of the Bonds, and upon the filing of the declaration of the result of the Bond Referendum in the office of the Clerk of Court for Beaufort County, South Carolina, the District is hereby authorized to issue the Bonds. Upon such filing, the Commission, on behalf of the District, is authorized to cause the issuance of the Bonds at one time or from time to time, as it may determine, in an aggregate principal amount not to exceed \$5,500,000, for the purposes set forth in Section 1(e) hereof or, in the discretion of the District, general obligation bond anticipation notes (the “**BANS**”) in a principal amount of not exceeding \$5,500,000, pursuant to the provisions of Title

11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the “**BAN Act**”). The Bonds and the BANS shall be issued pursuant to a resolution of the Commission adopted in conformity with the terms and provisions of the Enabling Act and the BAN Act, respectively.

Section 3. For the payment of the principal and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District shall be irrevocably pledged, and there shall be levied annually by the Auditor of Beaufort County and collected by the Treasurer of Beaufort County, in the same manner as County taxes are levied and collected, a tax without limit on all taxable property in the District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Section 4. The Commission is authorized to do all things necessary or convenient in accordance with applicable law to effect the issuance of the Bonds or the BANS at such time as it deems necessary and in the interest of the District.

Section 5. All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

Section 6. This Ordinance shall forthwith be codified in the Code of the County Ordinances in the manner prescribed by law.

Section 7. This Ordinance shall become effective upon its enactment.

ENACTED THIS _____ DAY OF MAY, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

ORDINANCE NO. 2017/___

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$17,500,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The County Council (the "County Council") of Beaufort County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the "S.C. Code"), and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such county.

(c) Pursuant to Title 4, Chapter 15 of the S.C. Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State of South Carolina (the "State") may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the S.C. Code provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the County as of June 30, 2016, is not less than \$1,725,369,752. Eight percent of the assessed value is \$138,029,580. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$74,961,036. Thus, the County may incur not exceeding \$53,068,544 of additional general obligation debt within its applicable debt limitation.

A portion of the 2007 Bonds (hereinafter defined) being refunded with the proceeds of the Bonds (hereinafter defined) count against the County's constitutional debt limit. Therefore, the portion of the par amount of the Bonds over and above the outstanding amount of the 2007 Bonds being refunded subject to the County's 8% constitutional debt limit will also count against the County's constitutional debt limit.

The County intends to also issue not exceeding \$35,000,000 general obligation bond anticipation notes which will also count against their constitutional debt limit.

(f) In a referendum (the "2000 Referendum") held in the County on November 7, 2000, the following question was submitted to the qualified electors of the County:

Shall Beaufort County, South Carolina issue general obligation bonds, not to exceed \$40,000,000, for the purpose of land preservation, by purchasing open land, development rights and conservation easements in all areas of Beaufort County, in order to alleviate traffic congestion in high growth areas and to protect water quality, natural lands, wildlife areas, farmland, parkland, coastal areas, rivers and wetlands, provided that all expenditures shall be prioritized based upon an official criteria and ranking system established for the County, and subject to an annual independent audit?

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

(g) Pursuant to the Constitution, statutory authorizations, the favorable results of the 2000 Referendum, and an Ordinance enacted by the County Council on April 9, 2007 (the "2007 Ordinance"), the County issued its original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007, dated November 7, 2007 (the "Series 2007 Bonds").

(h) The Series 2007 Bonds are currently outstanding in the principal amount of \$6,405,000. The Series 2007 Bonds maturing on or after March 1, 2018, are subject to redemption on or after March 1, 2017, at any time, at par plus interest accrued thereon to the date fixed to redemption.

(i) In a referendum (the "2006 Referendum") held in the County on November 7, 2006, the following question was submitted to the qualified electors of the County:

Shall the County be empowered to issue, either at one time as a single issue or from time to time as several separate issues, general obligation bonds of the County in the aggregate principal amount not to exceed \$50,000,000, the proceeds of which shall be used for the purpose of defraying the costs of the County Rural and Critical Land Preservation Program which preserves land by purchasing open land, development rights and conversation easements in all areas of Beaufort County, in order to alleviate traffic congestion in high growth areas and to protect water quality, natural lands, wildlife areas, farmland, parkland, coastal areas, rivers and wetlands, legal fees and costs of issuance of such bonds, provided that all expenditures shall be prioritized based upon the official criteria and ranking system established for the County and subject to annual audit?

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

(j) Pursuant to the Constitution, statutory authorizations, the favorable results of the 2006 Referendum, and an Ordinance enacted by the County Council on December 5, 2011 (the “2011 Ordinance”), the County issued its original principal amount \$10,000,000 General Obligation Bonds, Series 2011, dated December 15, 2011 (the “Series 2011 Bonds”).

(k) The Series 2011 Bonds are currently outstanding in the principal amount of \$9,645,000. The Series 2011 Bonds maturing on or after March 1, 2022, are subject to redemption on or after March 1, 2021, at any time, at par plus interest accrued thereon to the date fixed to redemption.

(l) Sections 11-21-10 to 11-21-80 of the S.C. Code empower any “public agency” to utilize the provisions of Article 5, Chapter 15, Title 11 (the “Refunding Act”) of the S.C. Code to effect the refunding of any outstanding general obligation bonds.

(m) Based on current market conditions and projected savings, the County Council finds that it is in the best interest of the County to effect a refunding of certain maturities of the Series 2007 Bonds and Series 2011 Bonds (collectively, the “Bonds to be Refunded”) because a savings can be effected through the refunding of such Bonds to be Refunded. The County Council recognizes, however, that current market conditions may change and that, as of the date of enactment of this Ordinance, a determination cannot be made as to the amount of such savings, if any, realized through the refunding of the Bonds to be Refunded and that certain authority relating to such refunding is delegated to the County Administrator and/or his lawfully-authorized designee through this Ordinance. Because the Refunding Act requires that refunding bonds be sold at public sale, there can be no assurance that market conditions at the time of such sale will be similar to the prevailing rates on the date of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized by this Ordinance do not result in satisfactory debt service savings, the County Council, through the authority delegated to the County Administrator and/or his lawfully-authorized designee, will be empowered to reject bids for the purchase of the refunding bonds.

(n) Pursuant to Ordinance No. 2012/10 adopted on August 13, 2012, the County Council adopted Written Procedures related to Tax-Exempt Debt.

(o) It is now in the best interest of the County for County Council to provide for the issuance and sale of not exceeding \$17,500,000 principal amount general obligation refunding bonds of the County to provide funds for (i) refunding the Bonds to be Refunded; (ii) costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

SECTION 2. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$17,500,000 aggregate principal amount of general obligation refunding bonds of the County to be designated “\$17,500,000 (or such lesser amount issued) General Obligation Refunding Bonds, (appropriate series designation), of Beaufort County, South Carolina” (the “Bonds”), for the purposes set forth in Section 1(o) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees. The Bonds will be issued in one or more series, each with an appropriate series designation.

The refunding of the Bonds to be Refunded shall be effected with a portion of the proceeds of the Bonds which proceeds shall be used for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature and are called for redemption in accordance with the provisions of the 2007 Ordinance and the 2011 Ordinance and interest on such Bonds to be Refunded as and when

the same becomes due. If necessary, notice of the aforesaid refunding for which a portion of the proceeds of the Bonds will be used shall be given in a financial paper published in the City of New York, State of New York.

Upon the delivery of the Bonds, the principal proceeds thereof, less issuance expenses, may be deposited with an escrow agent to be named (the "Escrow Agent") and held by it under a written refunding trust agreement between the Escrow Agent and the County (the "Refunding Trust Agreement") in an irrevocable trust account or said proceeds may be deposited with the Paying Agent for the Bonds to be Refunded, as determined by the County Administrator.

The County Administrator and/or his lawfully-authorized designee are hereby authorized and directed for and on behalf of the County to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Ordinance, including the execution and delivery of a Refunding Trust Agreement or Escrow Deposit Agreement, if required.

The Bonds shall be issued as fully registered bonds registrable as to principal and interest; shall be dated their date of delivery to the initial purchaser(s) thereof; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; shall be subject to redemption if such provision is in the best interest of the County; shall be numbered from R-1 upward; shall bear interest from their date payable at such times as hereinafter designated by the County Administrator and/or his lawfully-authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the County Administrator and/or his lawfully-authorized designee.

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

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The County Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to: (a) determine the par amount of the Bonds; (b) determine the maturity dates of the Bonds and the respective principal amounts maturing on such dates; (c) determine the interest payment dates of the Bonds; (d) determine the redemption provisions, if any, for the Bonds; (e) determine whether all of a portion of the Bonds should be sold together and whether all or a portion of the Bonds should be sold with all or a portion of not exceeding \$51,000,000 authorized in 2016 but not issued; (f) determine the date and time of sale of the Bonds; (g) receive bids on behalf of the County Council; and (h) award the sale of the Bonds to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the Bonds.

After the sale of the Bonds, the County Administrator and/or his lawfully-authorized designee shall submit a written report to County Council setting forth the details of the Bonds as set forth in this paragraph.

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

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

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

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

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the County shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity in an amount as may be required by the laws of the State of South Carolina or such greater amount as may be required by the County and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

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

SECTION 7. Execution of Bonds. The Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chairman of the County Council attested by the manual or facsimile signature of the Clerk to the County Council under a facsimile of the seal of the County impressed, imprinted or reproduced thereon; provided, however, the facsimile signatures appearing on the Bonds may be those of the officers who are in office on the date of enactment of this Ordinance. The execution of the Bonds in such fashion shall be valid and effectual, notwithstanding any subsequent change in such offices. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 8. Form of Bonds. The Bonds and the certificate of authentication shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION 9. Security for Bonds. The full faith, credit, and taxing power of the County are hereby irrevocably pledged 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. There shall be levied annually by the County Auditor and collected by the County Treasurer, in the same manner as other 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.

The County Council shall give the County Auditor and County Treasurer written notice of the delivery of and payment for the Bonds and they are hereby directed to levy and collect annually, on all taxable property in the County, a tax, without limit, 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.

SECTION 10. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the Bonds and this Ordinance, such notice in substantially the form attached hereto as Exhibit B, having been published in *The Island Packet* and *The Beaufort Gazette*, newspapers of general circulation in the County, not less than 15 days prior to the date of such public hearing.

SECTION 11. Initiative and Referendum. The County Council hereby delegates to the County Administrator and/or his lawfully-authorized designee the authority to determine whether the Notice prescribed under the provisions of Section 5 of Title 11, Chapter 27 of the S.C. Code relating to the initiative and referendum provisions contained in Title 4, Chapter 9, Article 13 of the S.C. Code shall be given with respect to this Ordinance. If said Notice is given, the County Administrator and/or his lawfully-authorized designee are authorized to cause such Notice to be published in a newspaper of general circulation in the County, in substantially the form attached hereto as Exhibit C.

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

SECTION 13. Tax Covenants. The County hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the

“IRC”) and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The County further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be “arbitrage bonds,” as defined in Section 148 of the IRC, and to that end the County hereby shall:

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

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

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

SECTION 14. Book-Entry System. The Bonds initially issued (the “Initial Bonds”) will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York (“DTC”), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or any integral multiple of \$5,000.

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

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

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

If the County is unable to retain a qualified successor to DTC or the County has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the County undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the County the Initial Bonds together with an assignment duly executed by DTC, the County shall execute, authenticate and deliver to the DTC participants Bonds in fully-registered form, in substantially the form set forth in Section 8 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

SECTION 15. Sale of Bonds, Form of Notice of Sale. The Bonds shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully-authorized designee. A Notice of Sale in substantially the form set forth as Exhibit D attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

SECTION 16. Preliminary and Final Official Statement. The County Council hereby authorizes and directs the County Administrator and/or his lawfully-authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The County Council authorizes the County Administrator to designate the Preliminary Official Statement as “final” for purposes of Rule 15c2-12 of the Securities Exchange Commission. The County Administrator and/or his lawfully-authorized designee are further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchaser of the Bonds.

SECTION 17. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the County covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of the annual financial report of the County within thirty (30) days from the County’s receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which adversely affects more than five (5%) percent of the revenues of the County or the County’s tax base.

SECTION 18. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the County covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Disclosure Dissemination Agent Agreement in substantially the form appearing as Exhibit E attached to this Ordinance. In the event of a failure of the County to comply with any of the provisions of the Disclosure Dissemination Agent Agreement, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by this Ordinance.

SECTION 19. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds necessary to refund the Bonds to be Refunded shall be deposited with the Escrow Agent pursuant to the terms of the Refunding Trust Agreement. The remaining proceeds, if any, shall be deposited with the County Treasurer in a special fund to the credit of the County and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds.

SECTION 20. Defeasance. The obligations of the County under this Ordinance and the pledges, covenants and agreements of the County herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

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

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

“Government Obligations” shall mean any of the following:

- (a) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (b) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
- (c) general obligation bonds of the State, its institutions, agencies, counties and political subdivisions, which, at the time of purchase, carry a AAA rating from Standard & Poor’s or a Aaa rating from Moody’s Investors Service.

SECTION 21. Miscellaneous. The County Council hereby authorizes the County Administrator, Chair of the County Council, the Clerk to the County Council and County Attorney to execute such documents and instruments as necessary to effect the issuance of the Bonds. The County Council hereby retains McNair Law Firm, P.A., as bond counsel and Hilltop Securities, as financial advisor in connection with the issuance of the Bonds. The County Administrator is further authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

All rules, regulations, resolutions, and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its enactment.

Enacted this ____ day of _____, 2017.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)

ATTEST:

Clerk, County Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

FORM OF BOND

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 COUNTY OF BEAUFORT
 GENERAL OBLIGATION REFUNDING BOND, SERIES 2017

No. R-

| | | | |
|-----------------|-----------------|-------------------|--------------|
| <u>INTEREST</u> | <u>MATURITY</u> | <u>ORIGINAL</u> | |
| <u>RATE</u> | <u>DATE</u> | <u>ISSUE DATE</u> | <u>CUSIP</u> |

REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that Beaufort County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the registered holder specified above, or registered assigns, the principal amount specified above on the maturity date specified above, upon presentation and surrender of this Bond at the principal office of Regions Bank in Atlanta, Georgia (the "Paying Agent"), and to pay interest on such principal amount from the date hereof at the rate per annum specified above until this Bond matures. Interest on this Bond is payable _____ 1, 20____, and semiannually on _____ 1 and _____ 1 of each year thereafter, 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, presently Regions Bank in Atlanta, Georgia (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance (hereafter defined), nor become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been duly executed by the Registrar.

For the payment hereof, both principal and interest, 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 irrevocably pledged and there shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other 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 this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, and rate of interest, aggregating _____ Dollars (\$ _____), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the "State"), including Article X of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; Title 11, Chapters 15, 21 and 27, Code of Laws of South Carolina 1976, as amended; the results of a favorable referendum; and Ordinance No. 2017/____ duly enacted by the County Council on _____, 2017.

[Redemption Provisions]

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

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

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

IN WITNESS WHEREOF, BEAUFORT COUNTY, SOUTH CAROLINA, has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the County Council, attested by the manual or facsimile signature of the Clerk to the County Council and the seal of the County impressed, imprinted, or reproduced hereon.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair of County Council

(SEAL)

ATTEST:

Clerk of County Council

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This bond is one of the Bonds described in the within mentioned Ordinance of Beaufort County, South Carolina.

as Registrar

By: _____
Authorized Officer

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

TEN COM - As tenants in common

UNIF GIFT MIN. ACT

TEN ENT - As tenants by the
entireties

Custodian
(Cust.) (Minor)

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

under Uniform Gifts to Minors

(State)

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

[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:

(Authorizing Officer)

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

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

A copy of the final approving opinion to be rendered shall be attached to each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the County with a manual or facsimile signature of the Clerk to the County Council. The certificate shall be in substantially the following form:

[FORM OF CERTIFICATE]

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

BEAUFORT COUNTY, SOUTH CAROLINA

By: _____
Clerk of County Council

FORM OF NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Beaufort County, South Carolina (the "County"), County Administration Building, 100 Ribaut Road, Beaufort, South Carolina, at __:__ p.m. on _____, 2017.

The purpose of the public hearing is to consider an Ordinance providing for the issuance and sale of General Obligation Refunding Bonds of Beaufort County, South Carolina, in the principal amount of not exceeding \$17,500,000 (the "Bonds"). The proceeds of the bonds will be used for the following purposes: (i) refunding the outstanding maturities of the County's original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007; (ii) refunding certain outstanding maturities of the County's original principal amount \$10,000,000 General Obligation Bonds, Series 2011; (iii) paying costs of issuance of the Bonds; and (iv) such other lawful purposes as the County Council shall determine.

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

At the public hearing all taxpayers and residents of the County and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance and the issuance of the Bonds.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given that on _____, 2017, the Beaufort County Council adopted an ordinance entitled: "ORDINANCE NO. 2017/___ AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$17,500,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO" (the "Ordinance").

The proceeds of the bonds will be used for the following purposes: (i) refunding the outstanding maturities of the County's original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007; (ii) refunding certain outstanding maturities of the County's original principal amount \$10,000,000 General Obligation Bonds, Series 2011; (iii) paying costs of issuance of the Bonds; and (iv) such other lawful purposes as the County Council shall determine.

Pursuant to Section 11-27-40(8) of the South Carolina Code of Laws, 1976, as amended, unless a notice, signed by not less than five (5) qualified electors of the County, of the intention to seek a referendum is filed both in the office of the Clerk of Court of the County and with the Clerk of the County Council, the initiative and referendum provisions of South Carolina law, Sections 4-9-1210 to 4-9-1230, South Carolina Code of Laws 1976, as amended, shall not be applicable to the Ordinance. The notice of intention to seek a referendum must be filed within twenty (20) days following the publication of this notice of the adoption of the aforesaid Ordinance in a newspaper of general circulation in Beaufort County.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$_____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017,
OF BEAUFORT COUNTY, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed bids, facsimile bids and electronic bids will be received on behalf of Beaufort County, South Carolina (the "County"), 100 Ribaut Road, Beaufort, South Carolina, until __:__ __.m, South Carolina time, on _____, _____, 2017, at which time said proposals will be publicly opened for the purchase of \$_____ General Obligation Refunding Bonds, Series 2017, of the County (the "Bonds").

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

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

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

The Bonds will be issued in fully-registered form registered as to principal and interest; will be dated _____, 2017; will be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing in each year; and will mature serially in successive annual installments on _____ in each of the years and in the principal amounts as follows:

| <u>Year</u> | <u>Principal Amount*</u> | <u>Year</u> | <u>Principal Amount*</u> |
|-------------|--------------------------|-------------|--------------------------|
|-------------|--------------------------|-------------|--------------------------|

*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. The County reserves the right, in its sole discretion, either to decrease or increase the principal amount of the Bonds maturing in any year (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the Bonds. 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. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

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

[Redemption Provisions]

Registrar/Paying Agent: Regions Bank, Atlanta, Georgia, will serve as Registrar/Paying Agent for the Bonds.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% and the interest rate specified for any maturity shall not be lower than the interest rate specified for any previous maturity. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium in excess of 10% of the par amount of the Bonds 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.

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

Security: The full faith, credit, and taxing power of the County are hereby irrevocably pledged 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. There shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, an ad valorem 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.

Good Faith Deposit: No good faith deposit is required.

Bid Form: Proposals should be enclosed in a separate sealed envelope marked “Proposal for \$ _____ General Obligation Refunding Bonds, Series 2017 of Beaufort County, South Carolina” and should be directed to the County Administrator at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

Official Statement: Upon the award of the Bonds, the County will prepare an official statement (the “Official Statement”) in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the County will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the County all necessary pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the Bonds.

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

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

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

Delivery: The Bonds will be delivered on or about _____, 2017, in New York, New York, at the expense of the County. 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.

BEAUFORT COUNTY, SOUTH CAROLINA

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2017, is executed and delivered by Beaufort County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Finance Director, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having 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) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a

Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the next February 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2017. Such date and each anniversary thereof is the Annual Filing Date. 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 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

“Principal and interest payment delinquencies;”

“Non-Payment related defaults, if material;”

“Unscheduled draws on debt service reserves reflecting financial difficulties;”

“Unscheduled draws on credit enhancements reflecting financial difficulties;”

“Substitution of credit or liquidity providers, or their failure to perform;”

“Adverse tax opinions, IRS notices or events affecting the tax status of the security;”

“Modifications to rights of securities holders, if material;”

“Bond calls, if material;”

“Defeasances;”

“Release, substitution, or sale of property securing repayment of the securities, if material;”

“Rating changes;”

“Tender offers;”

“Bankruptcy, insolvency, receivership or similar event of the obligated person;”

“Merger, consolidation, or acquisition of the obligated person, if material;” and

“Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and

9. “other financial/operating data.”

- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows:

- (i) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the Issuer’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 contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (ii) Financial and operating data for the fiscal year then ended, to the extent such information is not included in the Issuer’s audited financial statements filed pursuant to clause (1) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in the Official Statement under the following headings: “THE BONDS—Security;” “DEBT STRUCTURE—Outstanding Indebtedness;” and “CERTAIN FISCAL MATTERS—Assessed Value of Taxable Property in the County,” “—Estimated True Value of All Taxable Property in the County,” “—Tax Rates,” “—Tax Collections for Last Five Years,” and “—Ten Largest Taxpayers.”

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 Issuer, which have been submitted to the MSRB. If the

document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a

court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event

notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and 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; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By:_____

Name:_____

Title:_____

BEAUFORT COUNTY, SOUTH CAROLINA, as Issuer

By:_____

Name:

Title:

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

| | | | |
|----------------------------|-------|---------------|-------|
| Name of Issuer | _____ | | |
| Obligated Person(s) | _____ | | |
| Name of Bond Issue: | _____ | | |
| Date of Issuance: | _____ | | |
| Date of Official Statement | _____ | | |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure _____

Agreement:

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
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, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: ____

____ Description of Voluntary Financial Disclosure (Check One):

1. ____ "quarterly/monthly financial information;"
2. ____ "change in fiscal year/timing of annual disclosure;"
3. ____ "change in accounting standard;"
4. ____ "interim/additional financial information/operating data;"
5. ____ "budget;"
6. ____ "investment/debt/financial policy;"
7. ____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. ____ "consultant reports;" and
9. ____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

THE ORIGINAL GULLAH FESTIVAL OF SOUTH CAROLINA, INC.



April 7, 2017

Gullah Festival of South Carolina, Inc.
P.O. Box 83
Beaufort, South Carolina 29901

Beaufort County Council
100 Ribaut Road
Beaufort, South Carolina 29902

Dear Chairman Sommerville and Members of County Council,

Our 2017 Gullah Festival, celebrates Beaufort County, South Carolina's rich Gullah Geechee heritage and the role Beaufort played in shaping the historic period of American history known as the Reconstruction Era. This year's theme is, "Come Home to a Celebration of Reconstruction...The Untold Story." We are requesting the county to partner with us at the President's Circle level of \$10,000 or more, to help showcase the Presidential Proclamation Beaufort County received on January 12, 2017, that esteemed these sacred grounds the Reconstruction Era National Monument of the National Park System.

The Gullah Festival was established to honor and recreate the atmosphere of a celebration called, Decoration Day, now Memorial Day. It was started by freedmen at the end of the Civil War on May 1, 1865, in South Carolina during the Reconstruction Era. It soon became one of the largest celebrations in the nation and was centered around our Beaufort National Cemetery.

For over 30 years, the Original Gullah Festival has provided unique family-friendly cultural experiences for our local, national and international attendees of over 35,000 plus during the 3-day event. It has also contributed to the increase of heritage tourism in our county, making a positive financial impact to our local and state economy. We are asking Beaufort County to join our family of supporters in making the Gullah Festival this year, an example for others to witness of our community coming together in unity to celebrate our shared unique rich history.

We are a non-profit organization. A letter of our 501(c) 3 IRS determination is available upon request.

If you have any questions or concerns, please do not hesitate to contact either, Thomas R. Hicks (president) at 678-865-9065 or trhicksii@gmail.com or Anita Singleton Prather (vice-president) at 843-263-5229 or auntpearliesue@yahoo.com.

Thank you so much for your consideration and service to our community.

Sincerely,

Anita Singleton Prather
Vice-president

| GULLAH FESTIVAL PRO-FORMA P&L | | | | | |
|--------------------------------------|--|-------------------------|------------------------|------------------------------|--|
| EXPENSES | Mandatory | Budgeted Expense | Revised Expense | Potential Savings | Revised Total |
| Performers | | \$ 25,000.00 | \$ 25,000.00 | \$ - | |
| Friday Night DJ | | \$ 200.00 | \$ 200.00 | \$ - | |
| Educational | Lest We Forget Sankofa Circle Gullah Village | \$ 200.00 | \$ 200.00 | \$ - | |
| Lodging | | \$ 3,000.00 | \$ 3,000.00 | \$ - | |
| Entertainment Total | | | | | \$ 28,400.00 |
| EMS | \$50 per hour | \$ 1,200.00 | \$ - | \$ 1,200.00 | EMS IS INCLUDED IN POLICE TOTAL. THIS LINE ITEM CAN BE REMOVED. |
| Parking Lot/Meters | \$6 per parking space | \$ 2,500.00 | \$ 648.00 | \$ 1,852.00 | SHRIMP FESTIVAL OPERATES WITH (36) SPACES PER DAY. COST OF PARKING COULD BE REDUCED TO SAVE THIS AMOUNT |
| Park Rental Deposit | due before the festival | \$ 1,000.00 | \$ - | \$ 1,000.00 | 2017 HAS BEEN PAID FOR AND IS REIMBURSABLE AFTER FESTIVAL SO THERE IS NO EXPENSE |
| Park Rental | | \$ 4,000.00 | \$ 4,000.00 | \$ - | PARK RENTAL FEE IS WAIVED FOR 2017 RESULTING IN SAVINGS OF THIS AMOUNT |
| Fencing | | \$ 2,400.00 | \$ 2,420.00 | \$ (20.00) | NUMBER FROM LAST YEARS GULLAH FESTIVAL. 2500.00 COULD BE APPLIED TO TABBY PLACE NON-PROFIT RATE |
| City of Bft Police | \$50 per hour | \$ 15,000.00 | \$ 5,188.00 | \$ 9,812.00 | THIS LINE ITEM IS OVERBUDGETED IN THIS AMOUNT AND INCLUDES COST OF EMS |
| City Total | | | | | \$ 12,256.00 |
| GF Security (overnight) | | \$ 1,200.00 | \$ 300.00 | \$ 900.00 | RECCOMEND BID OUT SERVICE OR HIRE MARINE VOLUNTEER AT RATE OF \$100.00/ NIGHT FOR COST SAVING |
| Security Total | | | | | \$ 300.00 |
| Radio | | \$ 2,000.00 | \$ 1,000.00 | \$ 1,000.00 | PARTNERSHIP - REDUCE PRICE THROUGH TRADE FOR SPONSORSHIP AND EXCLUSIVE ONSITE BROADCAST PRIVILEGE |
| Newspaper | | \$ 800.00 | \$ 800.00 | \$ - | |
| Brochures | | \$ 1,200.00 | \$ 1,200.00 | \$ - | CONDUCT RFQ - BID PROCESS COULD REDUCE EXPENSE FURTHER - LOOK AT BUDGET PRINT |
| Booklets | | \$ 1,200.00 | \$ 1,200.00 | \$ - | CONDUCT RFQ - BID PROCESS COULD REDUCE EXPENSE FURTHER - LOOK AT BUDGET PRINT |
| Flyers | | \$ 800.00 | \$ 800.00 | \$ - | CONDUCT RFQ - BID PROCESS COULD REDUCE EXPENSE FURTHER - LOOK AT BUDGET PRINT |
| Advertising & Promo Total | | | | | \$ 5,000.00 |
| T-Shirts | due before the festival | \$ 1,200.00 | \$ 1,200.00 | \$ - | BROCHURES, BOOKLETS, FLYERS SEEM TO BE THE SAME AS PRINTING AND REPRODUCTION - LINE 63 |
| Rental Chairs | | \$ 200.00 | \$ - | \$ 200.00 | CONDUCT RFQ - BID PROCESS COULD REDUCE EXPENSE FURTHER |
| Misc Memorabilia | | \$ 600.00 | \$ 600.00 | \$ - | BORROW FROM A SUPPORTIVE CHURCH OR NON PROFIT |
| Memorabilia Total | | | | | \$ 1,800.00 |
| Hospitality | due before the festival | \$300.00 | \$ 300 | \$ - | NOT CERTAIN WHAT THIS IS FROM DESCRIPTION |
| Concession Supplies | | \$1,400.00 | \$ - | \$ 1,400.00 | REQUEST DONATION OF ITEMS FROM BILO/FOOD LION FOR SPONSORSHIP TRADE |
| Water | due before the festival | \$600.00 | \$ - | \$ 600.00 | REQUEST WATER DONATION FROM PEPSI / PIGGLY WIGGLY |
| Ice | due before the festival | \$800.00 | \$ 800.00 | \$ - | |
| First Aid Supplies | | \$50.00 | \$ 50.00 | \$ - | |
| Protocol Supplies | | \$250.00 | \$ 250.00 | \$ - | |
| Caribbean Night Supplies | | \$200.00 | \$ 200.00 | \$ - | |
| Supplies for Stage | | \$200.00 | \$ 200.00 | \$ - | |
| Wrist Bands | | \$250.00 | \$ 250.00 | \$ - | |
| Trash Bags | | \$200.00 | \$ - | \$ 200.00 | DO NOT NEED IF YOU TAKE DOWN GATES |
| Supplies Total | | | | | \$ 2,050.00 |
| Sound & Light | | \$5,500.00 | \$ 5,500.00 | \$ - | THIS SEEMS TO BE BUDGETED TWICE - SEE LINE ITEM 52 |
| Tower Lights | due before the festival | \$880.00 | \$ 880.00 | \$ - | |
| Tables & Chairs | | \$140.00 | \$ - | \$ 140.00 | DEVELOP RELATIONSHIP WITH WATER FESTIVAL |
| Tents | | \$1,000.00 | \$ - | \$ 1,000.00 | DEVELOP RELATIONSHIP WITH WATER FESTIVAL OR INVEST IN TENTS |
| Generator | | \$1,500.00 | \$ 1,500.00 | \$ - | REPAIR RELATIONSHIP AND TRADE SPONSORSHIP FOR HALF OF COST - AMAZING EVENT RENTALS |
| Gas | | \$500.00 | \$ 500.00 | \$ - | |
| Equipment Rental Total | | | | | \$ 8,380.00 |
| 2 Vans | | \$2,500.00 | \$ - | \$ 2,500.00 | BORROW NON-PROFIT OR CHURCH OWNED VANS TO REDUCE COST |
| 1 Truck | | \$250.00 | \$ - | \$ 250.00 | BORROW NON-PROFIT OR CHURCH OWNED TRUCK TO REDUCE COST |
| Vehicle Rental Total | | | | | \$ - |
| Park Insurance | due before the festival | \$2,350.00 | \$ 1,200.00 | \$ 1,150.00 | REBID - SHRIMP FESTIVAL POLICY IS LESS THAN (\$900.00) |
| Event Insurance | | \$3,000.00 | \$ - | \$ 3,000.00 | RECCOMEND ESTABLISHING SAVINGS DEPOSIT FOR RAIN OUT. WE DO NOT RETAIN EVENT INSURANCE FOR TASTE OR SHRIM |
| Occupancy Total | | | | | \$ 1,200.00 |
| Electrician | | \$3,900.00 | \$ - | \$ 3,900.00 | LOOK INTO CITY PUBLIC WORKS SUPPORT |
| Lights and Sound | | \$5,500.00 | \$ - | \$ 5,500.00 | THIS SEEMS TO BE BUDGETED TWICE - SEE LINE ITEM (38) |
| Bookkeeping Svc | \$ - | | \$ - | | NO NUMBER FOR THIS LINE ITEM WAS PROVIDED |
| Photographer | \$ - | | \$ - | | NO NUMBER FOR THIS LINE ITEM WAS PROVIDED |
| Prof Decorator | \$ - | | \$ - | | NO NUMBER FOR THIS LINE ITEM WAS PROVIDED |
| Contractual Expense | | | | | \$ - |
| Degler Waste (Portable 1 | Due before the festival | \$1,800.00 | \$ 900.00 | \$ 900.00 | LOOK TO TRADE WITH DEGLER OR WASTE PRO FOR SPONSORSHIP - GO TO USING DONATED ROLLING TRASH BINS |
| Cleaning Services | | \$2,400.00 | \$ - | \$ 2,400.00 | LOOK TO TRADE WITH GREENERY FOR SPONSORSHIP AND USE VOLUNTEERS |
| Sanitation Expense | | | | | \$ 900.00 |
| Printing & Reproduction | | \$ 6,000.00 | \$ - | \$ 6,000.00 | THIS SEEMS REDUNDANT TO BOOKLETS, FLYERS, ETC (LINES 19-22) REMOVED COST HERE |
| Web Hosting | | \$ 300.00 | \$ 300.00 | \$ - | |
| Cust Vendor Appl | | \$ - | \$ - | \$ - | NO NUMBER FOR THIS LINE ITEM WAS PROVIDED |
| Cust Volunteer Appl | | \$ - | \$ - | \$ - | NO NUMBER FOR THIS LINE ITEM WAS PROVIDED |
| Telephone | | \$ 400.00 | \$ 400.00 | \$ - | RECCOMEND OPERATING AS VIRTUAL OFFICE |
| Communications Total | | | | | \$ 700.00 |
| Computer Paper | | \$ 100.00 | \$ 100.00 | \$ - | |
| Ink | | \$ 300.00 | \$ 300.00 | \$ - | |
| Fees & Permits | | \$ 475.00 | \$ 475.00 | \$ - | |
| Bft Chamber of Comm | | \$ 250.00 | \$ 250.00 | \$ - | |
| Black Chamber of Comm | | \$ 150.00 | \$ 150.00 | \$ - | |
| Parade Fees | | \$ 100.00 | \$ 100.00 | \$ - | |
| Welfare | | \$ 600.00 | \$ 600.00 | \$ - | |
| Postage & Shipping | | \$ 100.00 | \$ 100.00 | \$ - | |
| Office Expenses Total | | | \$ - | | \$ 2,075.00 |
| | | | | | |
| | | Budgeted Expense | Revised Expense | 1 Available Cost Savi | Revised Expense Total |
| TOTAL EXPENSES | | \$ 107,945.00 | \$ 63,061.00 | \$ 44,884.00 | \$ 63,061.00 |

| GULLAH FESTIVAL PRO-FORMA P&L | | Budgeted Expense | Revised Expense | Revised Total | NOTES |
|-------------------------------------|--|---------------------|---------------------|---|-------|
| EXPENSE | | | | | |
| | Walmart Arts Commissions NIBCAA BCBCC | | | \$14,100.00 | |
| | Walmart | \$2,500.00 | | | |
| | Arts Commissions | \$3,000.00 | | | |
| | NIBCAA | \$600.00 | | | |
| | BCBCC | | | | |
| Grants Total | | | \$6,100.00 | | |
| Gates | | \$10,000.00 | | | |
| Gates | | | \$9,000.00 | | |
| Craft Vendors | | \$22,000.00 | | | |
| Food Vendors | | \$12,000.00 | | | |
| Vendor Total | | | \$34,000.00 | | |
| Memorabilia | (200 T-Shirts @ \$15ea) | \$3,000.00 | | | |
| Memorabilia Total | | | \$3,000.00 | | |
| Sankofa Workshop | | \$250.00 | | | |
| Sankofa Workshop Total | | | \$250.00 | | |
| VIP Tent Rental | | \$2,000.00 | | | |
| VIP Tent Rental Total | | | \$2,000.00 | | |
| V Table Rentals | | \$800.00 | | | |
| Public Donations | | \$3,000.00 | | | |
| Monetary Donation Total | | | \$3,800.00 | | |
| Concessions | (Water) | \$2,000.00 | | | |
| Concessions Total | | | \$2,000.00 | | |
| Booklets | | \$500.00 | | | |
| Booklet Sales Total | | | \$500.00 | | |
| Rental Chairs | | \$500.00 | | | |
| Chair Rental Total | | | \$500.00 | | |
| Decoration Day Play | (300 patrons @ \$20 ea) | \$6,000.00 | | | |
| Ticket Sales Total | | | \$6,000.00 | | |
| Tours | (200 patrons @ \$20 ea) | \$4,000.00 | | | |
| Tour Sales Total | | | \$4,000.00 | | |
| Friday Night Dance | (300 patrons @ \$30 ea) | \$9,000.00 | | | |
| Dance Admission Totals | | | \$9,000.00 | | |
| Silver Slipper Supper Club | (300 patrons @ \$30 ea) | \$9,000.00 | | | |
| Supper Admission Total | | | \$9,000.00 | | |
| TOTAL REVENUE | | \$90,150.00 | \$89,150.00 | | |
| ADDITIONAL REVENUE POTENTIAL | | | | | |
| Private Sponsorship 15k Goal | | \$12,750.00 | \$12,750.00 | GIVE SALESPERSON 15% OF PRIVATE SPONSORSHIP | |
| REVISED TOTAL REVENUE | | \$102,900.00 | \$101,900.00 | | |

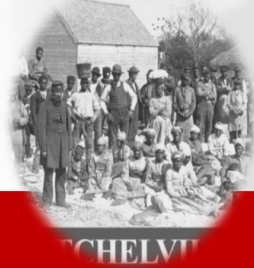
| | |
|--|---------------------|
| GULLAH FESTIVAL PRO-FORMA P&L | |
| EXPENSE | |
| Entertainment Total | \$ 28,400.00 |
| City Total | \$ 12,256.00 |
| Security Total | \$ 300.00 |
| Advertising & Promo Total | \$ 5,000.00 |
| Memorabilia Total | \$ 1,800.00 |
| Supplies Total | \$ 2,050.00 |
| Equipment Rental Total | \$ 8,380.00 |
| Vehicle Rental Total | \$ - |
| Occupancy Total | \$ 1,200.00 |
| Contractual Expense | \$ - |
| Sanitation Expense | \$ 900.00 |
| Communications Total | \$ 700.00 |
| Office Expenses Total | \$ 2,075.00 |
| TOTAL EXPENSE | \$ 63,061.00 |
| | |
| | |
| Grants Total | \$6,100.00 |
| Gates | \$9,000.00 |
| Vendor Total | \$34,000.00 |
| Memorabilia Total | \$3,000.00 |
| Sankofa Workshop Total | \$250.00 |
| VIP Tent Rental Total | \$2,000.00 |
| Monetary Donation Total | \$3,800.00 |
| Concessions Total | \$2,000.00 |
| Booklet Sales Total | \$500.00 |
| Chair Rental and DonationsTotal | \$500.00 |
| Decoration Day Play Ticket Sales | \$6,000.00 |
| Tour Sales Total | \$4,000.00 |
| Friday Night Dance Admission Total | \$9,000.00 |
| Silver Slipper Supper Club Admission Total | \$9,000.00 |
| TOTAL REVENUE | \$89,150.00 |
| | |
| Private Sponsorship 15k Goal | \$12,750.00 |
| POTENTIAL EVENT NET PROFIT | \$26,089.00 |
| | \$38,839.00 |

| GULLAH FESTIVAL PRO-FORMA P&L | | | | |
|---|--|-------------|--------------|-----------------------|
| EMS | \$50 per hour | Current | Reduced | |
| City of Bft Police | \$50 per hour | \$5,000.00 | \$ 5,000.00 | |
| Parking Lot/Meters | \$6 per parking space | \$2,500.00 | \$ 648.00 | Limit to (36) per day |
| Park Rental Deposit | due before the festival | \$1,000.00 | \$ - | PAID/REFUNDABLE |
| T-Shirts | due before the festival | \$1,200.00 | \$ 1,200.00 | |
| Hospitality | due before the festival | \$300.00 | \$ 300.00 | |
| Water | due before the festival | \$600.00 | \$ - | TRADE |
| Ice | due before the festival | \$800.00 | \$ 800.00 | |
| Tower Lights | due before the festival | \$880.00 | \$ 880.00 | |
| Park Insurance | due before the festival | \$2,350.00 | \$ 1,000.00 | REBID - SHRIMP = 1000 |
| Degler Waste (Portable Toilets and 30ft R | Due before the festival | \$1,800.00 | \$ 1,800.00 | TRADE FOR SPONSORSHIP |
| Educational | Lest We Forget Sankofa Circle Gullah Village | \$200.00 | \$ 200.00 | |
| TOTAL | | \$16,630.00 | \$ 11,828.00 | |

| | |
|---|------|
| GOTO TICKET SYSTEM FOR FOOD | |
| USE TABBY PLACE FOR SILVER SLIPPER AND FRIDAY NIGHT DANCE | |
| PAY OFF DEBT WITH AMAZING EVENT RENTAL FROM PROCEEDS OF 2017 FESTIVAL | |
| WHO DOES GRAPHIC DESIGN | |
| BUDGET TAX COST? | |
| PARTNER AND MAKE IT A BENEFIT TO RECONSTRUCTION MUSEUM EFFORTS MAYBE CONTRIBUTE TO HARRIETT TUBMAN STATUE | |
| REMOVE GATES AND PLACE FOOD VENDORS IN PARK | |
| ESTABLISH STRONG TRADE SPONSORSHIP PROGRAM | |
| SELL CORPORATE SPONSORSHIP TO MAKE UP FOR GATE FEES | |
| SETUP INVOICE PROGRAM FOR VENDORS | |
| SETUP RFQ PROGRAM | |
| BUILD ANNUAL CALENDAR WITH DIFFERENT EXECUTION DATES | |
| BID OUT OVERNIGHT SECURITY | |
| SECURE DONATIONS FOR CONCESSIONS AND WATER FROM GROCERY CHAINS | |
| SWITCH TO USE OF ROLLING TRASH CANS AND SECURE THEIR DONATION | |
| REBID PARK INSURANCE | |
| CONSIDER NOT RETAINING EVENT CANCELLATION INSURANCE AND PUT MONEY INTO SAVINGS FOR CANCELLED EVENT | |
| TRADE RADIO FEES FOR SPONSORSHIP AND EXCLUSIVE ONSITE BROADCAST PRIVILEGE | |
| DEVELOP RELATIONSHIP WITH WATER FESTIVAL FOR FREE USE OF TABLES AND CHAIRS | |
| REDUCE PARKING USE - SHRIMP FESTIVAL OPERATES WITH ONLY (72) SPACES | |
| LOOK FOR DONATION OF VANS TO USE FROM CHURCHS AND NON PROFITS | 2500 |
| SAVINGS GOAL SO THAT THEY DONT HAVE TO PAY OR EVENT INSURANCE | |

THE ORIGINAL GULLAH FESTIVAL

Come Home To A Celebration of:
RECONSTRUCTION..THE UNTOLD STORY
HISTORIC BEAUFORT, SOUTH CAROLINA



GULLAH
Festival
OF SOUTH CAROLINA, INC.

A Celebration of Reconstruction

Gullah Festival 2017

..... The Untold
Story

— Come Home

BEAUFORT, SC
3-DAY SCHEDULE

Friday, May 26, 2017

Vendors Market- 11am-12am

Gullah Tours

12pm-3pm

Basket Weaving Workshop

African Print Workshop

Elders Circle

Lest We Forget

Film Festival

Black Inventors Museum

3pm-5pm

Steel Drums Band

Drumline Competition

ROTC Drill Competition

Riverview Jazz Band Concert

Pageant- 6-8- Paid Event

Gullah Caribbean Party-9pm-12am- Paid Event

Saturday, May 27, 2017

Vendors Market- 10am-12am

Gullah Tours- Paid Event

12pm-3pm

Basket Weaving Workshop

Llaila Afrika Lecture

Welcoming Ceremony

Elders Circle

Lest We Forget

Film Festival

Black Inventors Museum

***See Saturday's additional Line-up on separate sheet**

4pm (Tabernacle Baptist Church)

Decoration Day(Theatrical Production)- Paid Event

9pm-12am

Juke Joint Club-Silver Slipper-Concert- Paid Event

Gwen McKinnon and Band

Sunday, May 28, 2017

Vendors Market- 10am-6pm

Gullah Tours

9am-10am- Hour of Power

11am-12pm Rededication of Commemorative Marker

2pm-6:30pm

Gospel Concert

Woman's Relief Corps. Ceremony

Gospel Concert

Daughters of Veterans Lecture

Circle of Love: Song- "Oh Beautiful"

Black Inventors Museum

P.I. Marine Band Concert

Saturday, May 27, 2017

*Narratives Between Entertainment Acts

- A. Africa 1600's to 1800's
Group From Charleston
- B. Secession Day December 20, 1860
Gullah Kinfolk
- C. Big Gun Done Shoot/Great Skedaddle
November 11, 1861
General Percival Drayton
Brig. Gen. Thomas Drayton
- D. Mitchelville 1862
Louise Dorcas, Miss Eliza Ann Citron, Mr.
Edward Wright
- E. Penn Center April 1862
Charlotte Forten, Ellen Murray,
Laura Towne
- F. Planter/Robert Smalls May 12, 1862
Robert Smalls/Hannah Smalls
- G. Welcoming Ceremony
Robert Smalls Family-
Gullah Family of the Year
- H. Freedom's Eve December 31, 1862
Preacher/Shouters

- I. Emancipation January 1, 1863
Sgt. Prince Rivers, Cpl. Sutton,
Gen. Rufus Saxton, Dr. Brisbane,
Col. Higginson
- J. Combahee/Harriet Tubman
Harriet Tubman/Col. James Montgomery
- K. Decoration Day May 1, May 1865
Gullah Kinfolk, Cleo Stokes, Sharon Millen
Allen Brass Band, Brandyfoot
- L. Mather School
Cora Newcomb/Rachel Crane Mather
- M. Lt. Gov. Alonza Ransier
- N. Shanklin/Beaufort Normal Training 1898
Abbie Holmes Christensen
- O. Memorial Day 1989
"Glory-"Movie
Reinternment
Women's Relief/Daughters of the
Veterans/Gov. Dukakis
- P. Taps