

OFFICIAL NOTICE OF SALE

\$18,800,000* GENERAL OBLIGATION BONDS, SERIES 2020A
HORRY COUNTY, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that bids for the purchase of \$18,800,000* General Obligation Bonds, Series 2020A of Horry County, South Carolina (the “Bonds”) will be received on behalf of the County Council (the “Council”) of Horry County, South Carolina (the “County”), until 11:00 a.m., South Carolina time, on Wednesday, February 19, 2020, in the County Council Administrative Offices, 1301 Second Avenue, Conway, South Carolina, or such other date and time as may be established by the County and communicated by Bond Buyer Wire, Bloomberg Wire or other electronic information service, not less than 48 hours prior to the time proposals are to be received.

Mailed or Hand-Delivered Proposals: Each mailed or hand-delivered proposal should be enclosed in a sealed envelope marked “Proposal for \$18,800,000 General Obligation Bonds, Series 2020A, Horry County, South Carolina” and should be directed to the County Administrator at the address in the first paragraph hereof.

Electronic Proposals: Electronic proposals must be submitted through i-Deal’s Ipreo/Parity Electronic Bid Submission System (“Ipreo/Parity”). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Ipreo/Parity may be obtained from i-Deal, 1359 Broadway, New York, New York 10018, Customer Support, telephone 212.849.5021.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL OR BY ELECTRONIC PROPOSALS, 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. If requested by the successful bidder, a single Bond or 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 the securities depository for the Bonds. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC. Notwithstanding the foregoing, at the request of the successful bidder, the Bonds will be issued as one single fully registered bond and not issued through the book-entry system.

*Preliminary, subject to adjustment.

The Bonds: Interest on the Bonds (calculated on the basis of a 360-day year comprised of twelve 30-day months) will be payable September 1, 2020 and semiannually on March 1 and September 1 of each year thereafter until maturity.

The Bonds will be dated the date of their delivery (which is expected to be March 11, 2020), and will mature in successive annual installments on March 1 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>
2021	\$1,800,000	2026	\$2,095,000
2022	50,000	2027	2,160,000
2023	1,865,000	2028	2,225,000
2024	1,940,000	2029	2,290,000
2025	2,015,000	2030	2,360,000

*Preliminary, subject to adjustment.

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 or 1/100 of 1% with no greater difference than three percent (3%) between the highest and lowest rates of interest named by a bidder. Each proposal must specify the amount bid for the Bonds, which shall not be less than 100% of par or more than 115% of par. Bidders shall not specify (a) a zero rate of interest for any Bonds or (b) a rate of interest for any Bonds that exceeds 5.0%. 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 OR AT A PRICE LESS THAN PAR WILL NOT BE CONSIDERED. Any premium offered must be paid in cash as a part 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 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 comprised 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.

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

Good Faith Deposit: No good faith deposit is required.

Adjustment of Maturity Schedule: If, after final computation of the proposals, the County determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the aggregate principal amount of the Bonds and the principal amount of Bonds maturing in each year (all calculations rounded to the nearest \$5,000), provided

that any such decrease or increase shall not exceed 15% of the par amount of the Bonds. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds.

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 the foregoing paragraph. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Redemption Provisions: The Bonds maturing on or prior to March 1, 2028 shall not be subject to redemption prior to their stated maturities. The Bonds maturing on or after March 1, 2029 shall be subject to redemption at the option of the County on or after March 1, 2028, as a whole or in part at any time, in such order of redemption as the County may determine, at par plus accrued interest to the date fixed for redemption.

Registrar and Paying Agent: U.S. Bank National Association will act as the Registrar and Paying Agent for the Bonds.

Purposes: The Bonds are being issued to: (i) defray the costs of design, acquisition or construction (including any engineering, architectural, accounting, financial and legal fees) of any one or more of the following projects: an Emergency Operations Center, expansion of the Conway Government and Justice Center and the expansion of County EMS facilities; and (ii) pay the costs of issuance of the Bonds.

Official Statement: The County deems the Preliminary Official Statement to be “final” as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule. Upon the award of the Bonds, the County will prepare a Final 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 provide the successful bidder a sufficient quantity of Official Statements 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.

Security: The Bonds will constitute binding general obligations of the County and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. There shall be levied and collected annually 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 and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

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 a Disclosure Dissemination Agent Agreement executed with Digital Assurance Certification, L.L.C., to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinions: The County shall furnish upon delivery of the Bonds the final approving opinion of Burr & Forman LLP, Greenville, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds. Certain legal matters will be approved by Arrigo P. Carotti, Esq., County Attorney.

Financial Advisor: First Tryon Advisors has acted as Financial Advisor to the County in connection with the issuance of the Bonds. In this capacity, First Tryon Advisors has provided technical assistance in the preparation of the offering documents and assisted the County in preparing for this financing.

Issue Price Certificate: The winning bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at delivery an “issue price” certificate setting forth the reasonably expected initial offering price to the public, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County and Bond Counsel. A sample copy of the certificate may be obtained from Burr & Forman LLP.

The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the County shall so advise the winning bidder. The County may determine to treat the initial offering price to the public as of the sale date of the Bonds as the issue price of the Bonds (the “Hold-the-Offering-Price Rule”). The County shall promptly advise the winning bidder, at or before the time of award of the Bonds, that the Bonds shall be subject to the Hold-the-Offering-Price Rule. Bids will not be subject to cancellation in the event that the County determines to apply the Hold-the-Offering-Price Rule to the Bonds. Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.

By submitting a bid, the winning bidder shall (1) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price (the “Initial Offering Price”), or at the corresponding yield, set forth in the bid submitted by the winning bidder and (2) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or

- (2) the date on which the underwriters have sold at least 10% of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the “10% Test”).

The winning bidder shall promptly advise the County when the underwriters have sold 10% of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The County acknowledges that, in making the representation set forth above, the winning bidder will rely on (1) the agreement of each underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (2) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (3) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds or all Bonds have been sold to the public and (b) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds or all Bonds have been sold to the public and (b) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (a) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) to participate in the initial sale of the Bonds to the public (including a

member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

Delivery: The Bonds will be delivered on or about March 11, 2020 through the facilities of DTC in New York, New York, at the expense of the County or at such other place as may be agreed upon with the purchaser at the expense of the purchaser. The purchase price then due must be paid in federal funds or other immediately available funds.

Postponement: The County reserves the right to postpone, from time to time, the date or time established for the receipt of bids or the bidding constraints on the Bonds. The County will communicate any such change in the sale date through Bond Buyer Wire, Bloomberg Wire, or other electronic information service, not less than 48 hours prior to the time proposals are to be received. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced through Bond Buyer Wire, Bloomberg Wire or other electronic information service at least 48 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a sealed or electronic bid for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale, except for the date of sale and except for the changes announced through Bond Buyer Wire, Bloomberg Wire, or other electronic information service at the time the sale date and time are announced.

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

Additional Information: The Preliminary Official Statement of the County with respect to the Bonds is available via the internet at <http://www.idealprospectus.com> and will be furnished to any person interested in bidding for the Bonds upon request to the County's Financial Advisor. The Preliminary Official Statement should be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Notice of Sale as to the complete information concerning the Bonds. Persons seeking information should communicate with:

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