OFFICIAL NOTICE OF SALE

$24,210,000* WATERWORKS AND SEWER SYSTEM REFUNDING REVENUE BONDS,
SERIES 2020A
GRAND STRAND WATER AND SEWER AUTHORITY

Time and Place of Sale: NOTICE IS HEREBY GIVEN that bids for the purchase of $24,210,000* Waterworks and Sewer System Refunding Revenue Bonds, Series 2020A (the "Bonds"), of Grand Strand Water and Sewer Authority (the "Authority") will be received by the Chief Executive Officer on behalf of the Authority, until 11:00 a.m., South Carolina time, on Tuesday, September 22, 2020, or such other date and time as may be established by the Authority 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.

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

Municipal Bond Insurance: A bidder may, at its option, purchase a policy of insurance relating to the Bonds to be effective as of the date of their issuance. Notice of obtaining a commitment for such insurance will be transmitted by the bond insurers. If a bidder for the Bonds desires to have the Bonds so insured, the bidder should specify in its bid for the Bonds whether bond insurance will be purchased. The premium on such bond insurance must be paid at or prior to the closing by the successful bidder. Any failure of the Bonds to be so insured or for any such policy of insurance to be issued shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for the Bonds.

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 the DTC. The DTC will act as the 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.

Bonds: The Bonds will be issued in fully registered form; will be dated and bear interest from their date of issuance (expected to be October 1, 2020) or such other date as the successful bidder may request, will be in denominations of $5,000 each or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; will bear interest from the date thereof payable semiannually on June 1 and December 1 of each year commencing December 1, 2020. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Bonds will mature on June 1 in each of the years and in the principal amounts, as follows:

(June 1) Year	Principal Amount*
2021	$ 950,000
2022	1,900,000
2023	2,000,000
2024	2,085,000
2025	2,200,000
2026	2,305,000
2027	2,425,000
2028	2,360,000
2029	1,880,000
2030	1,540,000
2031	1,355,000
2032	1,145,000
2033	1,180,000
2034	885,000

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*Preliminary, subject to adjustment as described below.

Adjustment of Maturity Schedule: The Authority reserves the right in its sole discretion to adjust the principal amount of any of the maturities of the Bonds (all calculations to be rounded to $5,000); provided, such adjustment will not increase the total par amount of the Bonds to more than what has been authorized to be issued. 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 Authority 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 principal amount of any of the maturities of 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 of the principal amount of the maturities of the Bonds pursuant to this paragraph. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Debt Service Reserve Fund: A debt service reserve fund will **not** be established for the Bonds.

Redemption Provisions: The Bonds maturing before June 1, 2031 shall not be subject to redemption prior to their stated maturities. The Bonds maturing on or after June 1, 2031 shall be subject to redemption at the option of the Authority on or after June 1, 2030, either in whole or in part, at any time in such order of their maturities as the Authority shall determine and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed together with the interest accrued on such principal amount to the date fixed for redemption.

Bidders' Special Option for Term Bonds: Bidders submitting proposals may specify that all the principal amount of Bonds maturing on any two or more consecutive annual payment dates may, in lieu of maturity on each of such dates, be combined to comprise one or more maturities of the Bonds scheduled to mature on the latest of such annual payment dates (the "Term Bonds"). Term Bonds shall be subject to redemption through mandatory sinking fund installments in the principal amount that would have matured in each year as set forth in this Notice of Sale, on each of the annual principal payment dates, except for the principal amount of Bonds scheduled to mature on the latest such annual payment date, which Bonds shall mature on such annual principal payment date. Bidders may specify one or more of such Term Bonds and such specifications must be made at the time of the award.

Mandatory Sinking Fund Redemption: The Bonds will be subject to mandatory redemption if and to the extent the option to establish Term Bonds is exercised by the successful bidder.

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 (3%) percent between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. **NO PROPOSAL FOR THE PURCHASE OF LESS THAN ALL THE BONDS WILL BE CONSIDERED.**

Award of Bid: After the proposals are received, they will be evaluated by the officials of the Authority and its Financial Advisor and Bond Counsel based on various factors, including the true interest cost ("TIC" as further described below), redemption terms, fees of the bidder or its counsel, additional credit or underwriting approval and any other conditions set forth therein. Based on such evaluation, the Bonds will be awarded to the bidder deemed to provide the most advantageous proposal, determined in the sole discretion of the Authority. 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 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 Authority 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 5:00 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 Authority or its 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).

Official Statement: The Authority deems the Preliminary Official Statement to be "final" as described in Rule 15c2-12(b)(1) as promulgated by the Securities and Exchange Commission (the "Rule") for the purposes of the Rule. Upon the award of the Bonds, the Authority 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 Authority will provide the successful bidder a sufficient quantity of the Official Statement to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the Authority 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 the Rule, the Authority will undertake, pursuant to an ordinance and a Continuing Disclosure Certificate, 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.

Registrar and Paying Agent: U.S. Bank National Association in Columbia, South Carolina, will serve as the Paying Agent and Registrar for the Bonds.

Purpose: The Bonds are issued for the purposes of (i) refunding a portion of the Authority's outstanding loans with the South Carolina Water Quality Revolving Fund Authority; and (ii) paying the costs of issuance of the Bonds.

Legal Authority and Security: The Bonds are issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapters 17 and 21, of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"); a Second Bond Resolution of the Authority duly adopted on October 22, 2001 (the "Second Bond Resolution"); and a Series Resolution of the Authority duly adopted on August 24, 2020 (the "Series Resolution" and together with the Second Bond Resolution, the "Resolutions"), under the Act which Resolution have been duly codified and indexed as prescribed by law. The Bonds will be secured by a pledge of Net Revenues of the System (as such terms are defined in the Resolutions) on a parity with the pledge of Net Revenues securing the Authority's Parity Debt (as defined in the Series Resolution) and any Additional Bonds (as defined in the Second Bond Resolution) issued pursuant to the Second Bond Resolution.

Legal Opinion: The issuance of the Bonds is subject to the approving opinion of Burr & Forman LLP, Columbia, South Carolina, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Burr & Forman LLP, Myrtle Beach, South Carolina.

Financial Advisor: Siebert Williams Shank & Co., LLC has served as Financial Advisor to the Authority in connection with the issuance of the Bonds. In this capacity, Siebert Williams Shank & Co., LLC provided technical assistance in the preparation of the offering documents and assisted the Authority in preparing for this financing.

Issue Price Certificate: The winning bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority 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 Authority and Bond Counsel. A sample copy of the certificate may be obtained from Bond Counsel.

The Authority 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 Authority 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 Authority 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 Authority 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 Authority shall so advise the winning bidder. The Authority may determine to treat the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "Hold-the-Offering-Price Rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The Authority shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the Hold-the-Offering-Price Rule. Bids will <u>not</u> be subject to cancellation in the event that the Authority determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. <u>Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds</u>.

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 or prices (the "Initial Offering Price"), or at the corresponding yield or yields, 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 of any maturity 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 (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity 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 Authority when the underwriters have sold 10% of that maturity 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 Authority 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 Authority 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 of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity 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 of each maturity 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 of that maturity or all Bonds of that maturity 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 Authority (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 Authority to the winning bidder.

<u>Delivery</u>: The Bonds will be delivered through the facilities of DTC in New York, New York, on or about October 1, 2020, at the expense of the Authority, 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.

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 Authority; 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.

Postponement: The Authority reserves the right to postpone, from time to time, the date established for the receipt of bids. The Authority 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 bids 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 an 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.

Additional Information: The Preliminary Official Statement of the Authority with respect to the Bonds is available via the internet at http://i-dealprospectus.com. The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Notice of Sale as to the complete information concerning the Bonds. Persons seeking information should communicate with the Authority's Bond Counsel, Francenia B. Heizer, Esquire, Burr & Forman LLP, telephone (803) 799-9800, e-mail: fheizer@burr.com or with the Authority's Financial Advisor, Jonathan Kirn, Managing Director, Siebert Williams Shank & Co., LLC, telephone (202) 872-8052, e-mail: jkirn@siebertwilliams.com.

GRAND STRAND WATER AND SEWER AUTHORITY