



REQUEST FOR BOARD ACTION

ITEM NO. 6

DATE OF MEETING: May 16, 2016

REQUESTED BY: Bob Jessup, Bond Counsel

SHORT TITLE: Resolution to Approve the Sale of School Bonds and Refunding Bonds in the Amount of \$18 Million in School Bonds and up to \$15 Million in Refunding Bonds.

BACKGROUND: This is a long resolution, but it does a lot of things. Specifically, this resolution does the following:

1. Formally authorizes the sale of \$18 million in school bonds and up to \$15 million in refunding bonds;
2. Formally pledges the County's taxing power to provide for payment on the bonds, if that becomes necessary;
3. Approves the proposed form of the bonds themselves;
4. Approves the form of the draft official statement for use in offering bonds to investors;
5. States the County's agreement to comply with the relevant provisions of federal tax law and the federal rules for continuing disclosure to the securities markets; and
6. Authorizes County staff to complete the process of issuing the bonds, and approves the steps to that end previously taken. This includes authorizing you to determine [the final amount of the bond issue and] the final principal payment schedule, to make the final call for redemption of the old bonds, and generally to take all appropriate action to close these bonds and refund the old bonds.

The actual interest rates on the bonds will be set when the LGC receives sealed bids for the bonds on June 7, and the closing on the bonds is scheduled for June 28.

SPECIFIC ACTION REQUESTED: To approve the attached resolution for the Sale of School Bonds and Refunding Bonds in the Amount of \$18 Million in School Bonds and up to \$15 Million in Refunding Bonds.



Resolution for the Sale Of School Bonds and Refunding Bonds

WHEREAS --

The voters of Pender County have previously approved the issuance of up to \$75,000,000 of the County's general obligation school bonds (the "School Bonds"). The County has not yet issued any of these bonds.

In addition, on February 1, 2016, the County's Board of Commissioners (the "Board") authorized the issuance of up to \$15,000,000 of general obligation refunding bonds (the "Refunding Bonds"). The Refunding Bonds do not require voter approval.

The Board has now determined that the County should issue the Refunding Bonds and up to \$18,000,000 of the School Bonds.

This resolution provides for the issuance of these bonds and takes related action, such as approving the form of the disclosure document that will be used to provide information to prospective bond investors.

BE IT THEREFORE RESOLVED by the Board of Commissioners of Pender County, North Carolina, as follows:

1. *Determination To Sell School Bonds* - The County will issue and sell up to \$18,000,000 of the unissued School Bonds for their authorized purpose.

2. *Determination To Sell Refunding Bonds* -- The County will also issue and sell the Refunding Bonds for their authorized purpose. The Refunding Bonds will be sold as a separate issue but simultaneously with the School Bonds. The School Bonds and the Refunding Bonds will be referred to collectively in this resolution as the "Bonds".

3. *Payment Provisions.* The Bonds will bear interest at the rates determined at the time of their sale by the North Carolina Local Government

Commission (currently scheduled for June 7). The principal of the Bonds will be payable in annual installments as the Finance Officer may determine after consultation with the LGC, except that (a) the final maturity for the School Bonds must not extend beyond December 31, 2036, and (b) the Refunding Bonds must mature within the current final maturities for the respective bonds being refunded.

4. Pledge of Faith, Credit and Taxing Power -- The County's full faith and credit are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the County will levy and collect an annual ad valorem tax, without restriction as to rate or amount, on all locally taxable property in the County sufficient to pay the principal of and interest on the Bonds as the same become due.

5. Approval of Official Statement for Offering - There has been made available to each member of the Board a draft of an official statement (the "Official Statement") relating to the Bonds. The Official Statement is designed to provide appropriate information about the County and the financing to prospective investors in the Bonds. The draft Official Statement remains subject to completion and amendment.

The Board approves the draft Official Statement submitted to this meeting as the form of the preliminary official statement pursuant to which the County will offer the bonds for sale. The preliminary official statement as distributed to prospective investors must be in substantially the form presented, with such changes as the Finance Officer may approve. The Board approves the LGC's distribution of this final-form preliminary official statement to prospective purchasers of the Bonds.

The Board acknowledges that it is the County's responsibility, and ultimately the Board's responsibility, to ensure that the Official Statement in its final form neither contains an untrue statement of a material fact nor omits to state a material fact required to be included therein for the purpose for which the Official Statement is to be used or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The County deems the Official Statement as distributed by the LGC to be a "final official statement" within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain final Bond pricing and other information that Rule 15c2-12 allows to be omitted.

6. Prepayment Provisions -- The Finance Officer, upon advice from the LGC, is directed to determine the terms and conditions under which the Bonds will be subject to prepayment prior to maturity, if at all. The Finance Officer will execute a

certificate prior to the initial delivery of the Bonds designating prepayment terms and conditions. This certificate will be conclusive evidence of the Finance Officer's determination of these terms and conditions.

7. Form of Bonds; Payment Details -- The School Bonds will be designated "General Obligation School Bonds, Series 2016," and the Refunding Bonds will be designated "General Obligation Refunding Bonds, Series 2016."

The School Bonds will be in substantially the form set out in Exhibit A. The Refunding Bonds will be in substantially the same form, with appropriate modifications to reflect their different purpose, maturity schedule, interest rates and other series-specific details. The Bonds will be dated the date of their initial issuance, will be in fully registered form, will be in denominations of \$5,000 (and any integral multiple) and will be numbered for identification from R-1 upward separately within each series or consecutively across the series, as the Finance Officer may determine.

The Bonds must be signed by the manual or facsimile signature of the Board's Chairman or the County Manager, and the County's seal must be affixed to the Bonds (or a facsimile of the seal printed on the Bonds) and attested by the manual or facsimile signature of the Clerk to this Board. No Bond will be valid unless at least one of the signatures appearing on the Bond (which may be the signature of the LGC's representative required by law) is manually applied or until the Bond has been authenticated by the manual signature of an authorized officer or employee of an independent bond registrar selected by the Finance Officer.

Interest on each Bond will be payable semiannually (a) from its date, if it is authenticated prior to the first interest payment date, or (b) otherwise from the interest payment date that is, or immediately precedes, the date on which it is authenticated (unless payment of interest is in default, in which case the Bond will bear interest from the date to which interest has been paid). Principal, interest and any prepayment premium will be payable in lawful money of the United States of America.

The Finance Officer must execute a certificate prior to the initial delivery of the Bonds designating the final aggregate principal amount of the Bonds (up to the maximum authorized amounts), the final principal payment schedules, and the interest payment dates for each series of the Bonds. This certificate will be conclusive evidence of the Finance Officer's determination of these matters.

8. Finance Officer as Registrar; Payments to Registered Owners -- The Finance Officer is appointed Registrar for the Bonds. As Registrar, the Finance Officer will maintain appropriate books and records of the ownership of the Bonds. The

County will treat the registered owner of each Bond as the person exclusively entitled to payment of principal, interest, and any prepayment premium and the exercise of all rights and powers of the owner, except that the County will make payments to the person shown as owner on the registration books at the end of the calendar day on the 15th day of the month (whether or not a business day) preceding each interest payment date.

9. Advertising Bonds for Sale -- The Finance Officer, in collaboration with the LGC, is directed to take all proper steps to advertise the Bonds for sale in accordance with standard LGC procedures, including through the use of a "Notice of Sale" document in the LGC's customary form and in substantially the same form as used for prior County bond sales. The Finance Officer is directed to review and approve Notice of Sale forms as she may determine to be in the County's best interest. The Board ratifies any previous actions to that end.

10. LGC To Sell Bonds; Provision for Delayed Sale – (a) -- The County asks the LGC to sell the Bonds, to receive and evaluate bids, and to award each series of the Bonds on the basis of the best bid received.

(b) If market conditions at the time of the proposed sale do not allow the Refunding Bonds to be sold at interest rates and prices that make the refunding of all or any portion of the prior bonds economical, as determined by the Finance Officer, the Finance Officer is authorized to decline the sale of the Bonds, in whole or in part. The Finance Officer is further authorized to provide for additional attempts to sell the Bonds, or any portion of the Bonds, if she determines that market conditions have changed such that a successful sale of the Refunding Bonds (or any portion) may be possible. The Finance Officer may provide for one or more additional sales until October 1, 2016, without further advance approval from the Board. These additional sales may make use of the previously-approved Official Statement, with the Finance Officer's approval and any additional changes the Finance Officer may approve, and may proceed pursuant to whatever advertisement for sale as the Finance Officer may approve.

11. Completing Official Statement after Sale – After the LGC has awarded the Bonds to the successful bidders, the Finance Officer is directed to prepare, in collaboration with the LGC, a final Official Statement within the meaning of Rule 15c2-12. The Finance Officer is authorized to approve the final document as a final Official Statement. The County, together with the LGC, will arrange for the delivery within seven business days of the sale date of a reasonable number of copies of the final Official Statement to the successful bidders on the Bonds for delivery to each potential investor requesting a copy of the final Official Statement and to each entity to which the bidders and members of the bidding groups initially sell the Bonds.

12. County Officers To Complete Closing - After the sale of the Bonds, the Finance Officer and all other County officers and employees are authorized to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the purchasers upon payment for the Bonds, and to take all other proper steps to complete the issuance of the Bonds.

The Finance Officer is authorized to hold the executed Bonds, and any other documents authorized by this resolution, in escrow on the County's behalf until the conditions for the delivery of the Bonds and other documents have been completed to her satisfaction, and then to release the executed Bonds and other documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, this authorization is specifically extended to authorize the Finance Officer (a) to approve and enter into agreements to carry out the refunding contemplated by this resolution, including agreements for the custody of Bond proceeds and agreements for appropriate professional services, and (b) to approve changes to any documents or closing certifications previously signed by County officers or employees, provided that any changes must not substantially alter the intent of those items from that expressed in the forms originally executed, and that the Bonds must be in substantially the form approved by this resolution. The Finance Officer's authorization of the release of any document for delivery will constitute conclusive evidence of her approval of any changes.

In addition, the Finance Officer is authorized to take all appropriate steps for the efficient and convenient carrying out of the County's on-going responsibilities with respect to the Bonds. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under the Bonds, this resolution, or otherwise with respect to the Bonds.

13. Undertaking for Continuing Disclosure -- The County undertakes, for the benefit of the beneficial owners of the Bonds, to provide continuing disclosure with respect to the Bonds as described in Exhibit B.

The Board designates the Finance Officer as the County officer to be primarily responsible for the County's compliance with its undertakings for continuing disclosure provided for in this resolution. The Finance Officer will provide for the filings and reports (including the reports of material events) constituting the continuing disclosure provided for in this resolution. This undertaking terminates upon payment in full of all the Bonds.

14. Resolutions as to Tax Matters -- The County will not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest on the Bonds to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the County will comply with any Code provision that may require the County at any time to pay to the United States any part of the earnings derived from the investment of the proceeds of the Bonds, and the County will pay any required rebate from its general funds. For this paragraph, "Code" means the United States Internal Revenue Code of 1986, as amended, including applicable Treasury regulations.

15. Book-Entry System for Bond Registration -- The Bonds will be issued by means of a book-entry system, with one bond certificate for each maturity of each series immobilized at The Depository Trust Company ("DTC"), and not available for distribution to the public. The book-entry system for registration will operate as described in the Official Statement.

Therefore, so long as the book-entry system of registration with DTC is in effect, (a) the County will make Bond payments only to DTC or its nominee as registered owner of the Bonds, (b) the County will not be responsible or liable for any transfer of payments to parties other than DTC or for maintaining, supervising or reviewing the records maintained by DTC or any other person related to the Bonds, and (c) the County will not send redemption notices (or any other notices related to the Bonds) to anyone other than DTC or its nominee. The Board, by resolution, may elect to discontinue the County's book-entry system with DTC. The Finance Officer is authorized to enter into any agreements she deems appropriate to put into place and carry out the book-entry system with DTC.

16. Call of 2007 School Bonds for Redemption - The Board directs the Finance Officer to make, on the County's behalf, an irrevocable call for redemption of such of the County's General Obligation School Bonds, Series 2007, as the Finance Officer (after consultation with the LGC) deems beneficial to the County. The Finance Officer will make this call for redemption by the execution and delivery of an appropriate certificate in connection with the original delivery of the Bonds.

17. Ratification of Professionals - The Board confirms the selection of (a) of Sanford Holshouser LLP to serve as the County's bond counsel with respect to the Bonds, (b) Davenport & Company LLC to serve as the County's financial advisor with respect to the Bonds, (c) U.S. Bank National Association to serve as escrow agent for the refunding, and therefore to hold proceeds of the Refunding Bonds until those proceeds can be paid to the owners of the bonds being refunded, and (d) Bingham Arbitrage Rebate Services, Inc., to serve as verification agent, and therefore to

perform certain calculations related to the refunding required under applicable tax rules.

18. Finding as to Useful Life and Term of the Bonds – (a) The Board finds and determines that the average weighted maximum useful life of the projects to be financed with the proceeds of the School Bonds is at least twenty-five years, subject to ordinary maintenance for projects of this type, and therefore the term of the Refunding Bonds will be within that maximum useful life.

(b) The Board finds and determines that the term of the Refunding Bonds will be the shortest period in which the debt to be refunded can be finally paid without making it unduly burdensome on the County’s taxpayers, and will be within the remaining period of usefulness of the projects financed with the proceeds of the prior bonds.

19. Miscellaneous Provisions -- All County officers and employees are authorized to take all such further action as they may consider necessary or desirable in connection with the furtherance of the purposes of this resolution. The Board ratifies all prior actions of County officers and employees in this regard. Upon the absence, unavailability or refusal to act of the Chairman, the County Manager or the Finance Officer, any of those officers may assume any responsibility or carry out any function assigned to another officer in this resolution. In addition, the Vice Chairman or any Deputy or Assistant Clerk may in any event assume any responsibility or carry out any function assigned to the Chairman or the Clerk, respectively, in this resolution. All other resolutions, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

EXHIBIT A - Form of Bonds

REGISTERED

REGISTERED

Number R-X

**UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA**

PENDER COUNTY

General Obligation School Bond, Series 2016

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	June 1, ____	June 28, 2016	706 711 XXX

REGISTERED OWNER: ***CEDE & CO.*******

PRINCIPAL AMOUNT: ** _____ THOUSAND DOLLARS
(\$____,000)*****

PENDER COUNTY, NORTH CAROLINA (the "County"), for value received, promises to pay to the registered owner of this Bond, or registered assigns or legal representative, the principal amount stated above on the maturity date stated above, subject to prior redemption as described below, and to pay interest on this Bond semiannually on each June 1 and December 1, beginning December 1, 2016, at the annual rate stated above. Interest is payable (a) from the dated date stated above, if this Bond is authenticated prior to December 1, 2016, or (b) otherwise from the June 1 or December 1 that is, or immediately precedes, the date on which this Bond is authenticated (unless payment of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid).

This Bond is one of an issue of the County's \$18,000,000 General Obligation School Bonds, Series 2016 (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Bonds are issued pursuant to a resolution adopted by the County's governing Board of Commissioners on May 16, 2016, and the Constitution and laws of the State of North Carolina, including the Local Government Bond Act.

The County's full faith and credit are pledged for the payment of principal of and interest on this Bond.

The Bonds are issued by means of a book-entry system, with one bond certificate for each maturity immobilized at The Depository Trust Company ("DTC"), and not available for distribution to the public. Transfer of beneficial ownership interests in the Bonds in the principal amount of \$5,000, or any integral multiple, will be effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal and interest on the Bonds are payable by the County to DTC or its nominee as registered owner of the Bonds. The County is not responsible or liable for any transfer of ownership or payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through those participants.

Bonds maturing prior to June 1, 2026, are not subject to redemption prior to maturity. Bonds maturing on June 1, 2026, and thereafter are redeemable, at the County's option, from any moneys that may be made available for that purpose, in whole or in part on any date not earlier than June 1, 2025, at a redemption price of 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, without premium.

If less than all of the Bonds stated to mature on different dates are called for redemption, the Bonds to be redeemed will be selected in any manner the County in its discretion may determine.

If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portions of Bonds of that maturity to be redeemed will be selected by lot in any manner the County in its discretion may determine; provided, however, that the portion of each Bond to be redeemed will be in the principal amount of \$5,000 or some integral multiple, and that, in selecting Bonds for redemption, each Bond will be considered as representing that number of Bonds which is obtained by dividing the principal amount of that Bond by \$5,000. Notwithstanding the foregoing, so long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC and its participants will determine which of the Bonds within any maturity are to be redeemed. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender of the old Bond.

The County will send notice of redemption to DTC or its nominee as the registered owner of the Bonds in such manner as may be provided for under DTC's

then-current operating procedures. The County will send this notice not more than 60 days and not less than 30 days prior to the date fixed for redemption. The County is not responsible for sending redemption notices to anyone other than DTC or its nominee.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the County so elects, the County will discontinue the book-entry system with DTC. If the County does not identify another qualified securities depository to replace DTC, the County will deliver replacement Bonds in the form of fully-registered certificates.

The County Finance Officer has been appointed Registrar for the Bonds. As Registrar, the Finance Officer will maintain appropriate books and records indicating ownership of the Bonds. The County will treat the registered owner of this Bond as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that the County will make Bond payments to the person shown as the owner on the County's registration books at the end of the calendar day on the 15th day of the month (whether or not a business day) preceding each interest payment date. Principal and interest are payable in lawful money of the United States of America.

The County intends that North Carolina law will govern this Bond and all matters of its interpretation.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed, and the issue of Bonds of which this Bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of North Carolina.

IN WITNESS WHEREOF, Pender County, North Carolina, has caused this Bond to signed by its County Manager, its seal to be affixed hereto and attested by the Clerk to its Board of Commissioners, and this Bond to be dated June 27, 2016.

(SEAL)

ATTEST:	
<p align="center"><i>[Sample only - do not sign]</i> Melissa Pedersen Clerk, Board of Commissioners Pender County, North Carolina</p>	<p align="center"><i>[Sample only - do not sign]</i> Randell K. Woodruff County Manager Pender County, North Carolina</p>

The Bonds have been approved by the North Carolina Local Government Commission in accordance with the Local Government Bond Act.

[Sample only - do not sign]
Greg C. Gaskins
Secretary, Local Government Commission

**[Pender County, North Carolina
\$18,000,000] General Obligation School Bonds, Series 2016]**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type transferee's name and address, including zip code)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OR TRANSFEREE:

the within bond and all rights thereunder, hereby irrevocably constituting and appointing _____, Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

<p>Signature Guaranteed: _____ NOTICE: Signature(s) must be guaranteed by a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program</p>	<p>_____ (Signature of Registered Owner) NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular without alteration or enlargement or any change whatsoever.</p>
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**[Pender County, North Carolina
[\$18,000,000] General Obligation School Bonds, Series 2016]**

Exhibit B -- Undertaking for Continuing Disclosure

The County undertakes, for the benefit of the beneficial owners of the Bonds, to provide the following items and information to the Municipal Securities Rulemaking Board (the "MSRB"):

(a) by not later than seven months from the end of each of the County's fiscal years, audited County financial statements for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements are not available by seven months from the end of any fiscal year, unaudited County financial statements for such fiscal year, to be replaced subsequently by audited County financial statements to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each of the County's fiscal years, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year (which data will be prepared at least annually, will specify the date as to which such information was prepared and will be delivered with any subsequent material events notices specified in subparagraph (c) below) for the type of information included under heading "The County - Debt Information" and "- Tax Information" in the final Official Statement (excluding any information on overlapping or underlying units), and (ii) the combined budget of the County for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) 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;

- (7) modifications to rights of the beneficial owners of the Bonds, if material;
 - (8) calls for redemption of the Bonds (other than calls pursuant to sinking fund redemption), if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar proceedings related to the County or any other person or entity that may at any time become legally obligated to make payments on the Bonds (collectively, the "Obligated Persons");
 - (13) 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
 - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (d) in a timely manner, notice of a failure of the County to provide required annual financial information described in (a) or (b) above on or before the date specified.

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occurs: 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.

If the County fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance;

provided, however, that failure to comply with such undertaking will not be an event of default and will not result in any acceleration of payment of the Bonds. All actions will be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The County shall provide the documents and other information referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The County may discharge its undertaking as set forth in this resolution by providing such information in any manner that the United States Securities and Exchange Commission subsequently authorizes in lieu of the manner described above.

The County reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the County's judgment, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of the final Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the County or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the bond resolution, as it may be amended from time to time, at the time of the amendment.

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