

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED _____, 2022**NEW ISSUE – BOOK-ENTRY ONLY
LIMITED OFFERING****NO RATING**

In the opinion of Bond Counsel, assuming continued compliance by the County (as defined herein) with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the 2022 Bonds (as defined herein) is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions. Interest on the 2022 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. For tax years beginning after December 31, 2022, interest on the 2022 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Under the present laws of the State of South Carolina, the 2022 Bonds and the interest thereon will be exempt from all South Carolina income taxation except estate or other transfer taxes and certain franchise tax. The opinion contains greater detail, and is subject to exceptions, as noted in "TAX TREATMENT" herein.

LANCASTER COUNTY, SOUTH CAROLINA**\$ _____ * ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BONDS, SERIES 2022****Dated: Date of Delivery****Due: As shown on the inside cover**

The Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2022 (the "2022 Bonds") are being issued by Lancaster County, South Carolina (the "County"), only in fully registered form, without coupons, in authorized denominations of \$25,000 or integral multiples of \$5,000. The 2022 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year consisting of twelve thirty-day months, payable semi-annually on each _____ and _____, commencing _____. The 2022 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the 2022 Bonds will be made in book-entry form. Accordingly, principal of and interest on the 2022 Bonds will be paid from the Pledged Revenues (as hereinafter defined) by U.S. Bank Trust Company, National Association, as trustee (the "Trustee") directly to DTC as the registered owner thereof. See **"DESCRIPTION OF THE 2022 BONDS—Book-Entry System"** herein.

The 2022 Bonds have been authorized by Ordinance No. 2022-____ enacted on _____ (the "Bond Ordinance"), by the County Council (the "Council") of the County, pursuant to the authorization of the South Carolina Residential Improvement District Act (codified at Chapter 35 of Title 6, Code of Laws of South Carolina 1976, as amended (the "Act")). The Roselyn Residential Improvement District (the "District"), was created by Ordinance No. 2020-1691, enacted by the Council on December 14, 2020, as amended on _____, 2022. The 2022 Bonds are being issued by the County pursuant to a Master Trust Indenture, dated as of _____ (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture, dated as of _____ (the "Supplemental Indenture," together with the Master Indenture, the "Indenture"), by and between the County and the Trustee.

The 2022 Bonds are equally and ratably secured under the Indenture by a lien upon and pledge of the Pledged Revenues, which are defined to mean (i) the revenues derived from Assessments (as hereinafter defined) (including penalties, interest and expenses thereon) imposed within the District and collected by the County pursuant to the Act (the "Assessments"), and (ii) the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture (except for moneys transferred to the Rebate Fund and moneys on deposit in any Series Account of the Debt Service Fund or Debt Service Reserve Fund, relating to a Series of Bonds (as such terms are defined herein) other than the 2022 Bonds, and any investment earnings on such moneys) and such other property as may be contemplated by the Indenture (collectively, the "Trust Estate"). See **"SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS"** herein.

Pursuant to the Indenture, the 2022 Bonds are subject to optional, extraordinary mandatory and mandatory sinking fund redemption at the times, in the amounts and at the redemption prices as more fully described herein under the caption **"DESCRIPTION OF THE 2022 BONDS—Redemption Provisions."**

The proceeds from the sale of the 2022 Bonds, along with other available moneys, will be used to (i) finance a portion of the Series 2022 Project (as defined herein), including capitalized interest on the 2022 Bonds; (ii) fund the Series 2022 Debt Service Reserve Account in an amount equal to the Series 2022 Debt Service Reserve Requirement (as such terms are defined herein); and (iii) pay certain costs and expenses relating to the issuance of the 2022 Bonds. See **"ESTIMATED SOURCES AND USES OF BOND PROCEEDS"** herein.

THE 2022 BONDS AND THE INTEREST THEREON ARE NOT PAYABLE FROM, NOR ARE THEY A CHARGE UPON, ANY FUNDS OR REVENUES OTHER THAN THE TRUST ESTATE UNDER THE INDENTURE. THE 2022 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE OF SOUTH CAROLINA ("STATE") CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE), AND THE 2022 BONDS DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY. SEE **"SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS."**

THE 2022 BONDS ARE NOT RATED. AN INVESTMENT IN THE 2022 BONDS IS SPECULATIVE IN NATURE, INVOLVES A SIGNIFICANT DEGREE OF RISK AND IS NOT APPROPRIATE FOR UNSOPHISTICATED INVESTORS. A BONDHOLDER IS ADVISED TO READ THE ENTIRE LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO. SPECIAL REFERENCE IS MADE TO THE SECTIONS "SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS" AND "BOND OWNERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE 2022 BONDS.

THE 2022 BONDS MAY BE INITIALLY PURCHASED AND THEREAFTER TRANSFERRED IN WHOLE OR IN PART ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED). SEE **"DESCRIPTION OF THE 2022 BONDS—GENERAL DESCRIPTION"** HEREIN.

This cover page contains certain information for quick reference only. It is not a summary of the 2022 Bonds. Investors must read the entire Preliminary Limited Offering Memorandum to obtain information essential to the making of an informed investment decision. The County deems this

* Throughout this Preliminary Official Statement, items marked with an asterisk are preliminary and subject to change.

Preliminary Limited Offering Memorandum to be final as of this date for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission ("Rule 15c2-12"), except for information which may be omitted therefrom pursuant to Rule 15c2-12.

The 2022 Bonds are offered for delivery when, as and if issued by the County and accepted by the Underwriter and subject to the receipt of the approving legal opinion of Burr & Forman LLP, Columbia, South Carolina, Bond Counsel. Burr & Forman, LLP, Columbia, South Carolina, is also serving as disclosure counsel. GrayRobinson, P.A., Tampa, Florida, is serving as counsel to the Underwriter. Certain legal matters will be passed upon for the County by its counsel, Smith Robinson Holler DuBose and Morgan, LLC, Columbia, South Carolina; and for the Developer (as defined herein) by its counsel, Pope Flynn LLC, Columbia, South Carolina. It is expected that the 2022 Bonds will be delivered in book-entry form through the facilities of DTC on or about _____.

[Underwriter Logo]

This Limited Offering Memorandum is dated ____, ____.

*Preliminary, subject to change.

MATURITY SCHEDULE

YEAR ()	CUSIP¹	PRINCIPAL AMOUNT*	INTEREST RATE	PRICE/YIELD
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* Preliminary, subject to change.

¹ Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf American Bankers Association nu FactSet Research Systems, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2022 Bonds and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2022 Bonds.

REGARDING USE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM

No broker, dealer, salesperson, or other person has been authorized by the County, the State or FMSbonds, Inc., as underwriter (the “Underwriter”), to give any information or to make any representations, other than those contained in this Preliminary Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Preliminary Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, ESP Associates, Inc. (the “Civil Engineer”), MuniCap, Inc. (the “Consultant”), Lennar Carolinas, LLC (the “Developer”), and other sources that are believed by the Underwriter to be reliable. The County, the Consultant, the Developer and the Civil Engineer will all, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

The information set forth herein has been obtained from public documents, records and other sources, including the Developer, which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Underwriter. The Underwriter has reviewed the information in this Preliminary Limited Offering Memorandum in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Preliminary Limited Offering Memorandum, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the County, the Developer, or the Development (as such term is defined herein), since the date hereof.

Except the information with respect to the Trustee, the Trustee has not provided, or undertaken to determine the accuracy of any of the information contained in this Preliminary Limited Offering Memorandum, and the Trustee makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information, (ii) the validity of the 2022 Bonds, or (iii) the tax-exempt status of the interest on the 2022 Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2022 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2022 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE 2022 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

This Preliminary Limited Offering Memorandum contains certain “forward-looking statements” concerning the County and the Developer’s operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the County or the Developer. The words “may,” “would,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate” and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

Certain information contained in this Preliminary Limited Offering Memorandum may have been obtained from sources other than records of the District and, while believed to be reliable, is not guaranteed as to completeness or accuracy. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Preliminary Limited Offering Memorandum for purposes of, and as that term is defined in Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

COUNTY ADMINISTRATOR

Dennis Marstall

COUNTY COUNCIL MEMBERS

Steve Harper, Chairman
Brian Carnes, Vice Chairman
Allen Blackmon
Terry Graham
Larry Honeycutt
Charlene McGriff
Billy Mosteller

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CONSULTANT

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CIVIL ENGINEER

ESP Associates, Inc.
Fort Mill, South Carolina

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PRELIMINARY LIMITED OFFERING MEMORANDUM SUMMARY

The following summary of certain information contained herein is qualified in its entirety by the detailed information appearing elsewhere in this Preliminary Limited Offering Memorandum. The reader should refer particularly to sections that are indicated for more detailed information.

The Issuer	Lancaster County, South Carolina (the “Issuer” or the “County”), a body politic and political subdivision organized and existing under the Constitution and laws of the State of South Carolina (the “State”).
The Developer	Lennar Carolinas, LLC, a Delaware limited liability company (the “Developer”).
The Development	Roselyn (the “Development”), is anticipated to be an approximately 1,395-acre master-planned residential community located in the northern portion of Lancaster County, South Carolina. Located approximately 25 miles south of Charlotte, North Carolina, the Development consists of seven major phases, each expected to have multiple sub-phases, of construction that are anticipated to include approximately 1,860 residential units on approximately 374 acres for development, approximately 937 acres of common open space, roads and rights-of-way and recreational areas, and an approximately 84-acre county park.
The District	Roselyn Residential Improvement District (the “District”), is a public improvement district created pursuant to the South Carolina Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the “Act”). The District’s boundaries are generally coterminous with those of the Development.
Collection by the County	The County has adopted proceedings to fund the costs of financing the Project, which includes the Series 2022 Project (as such terms are defined herein), through the imposition and collection of the Assessments (as defined herein). The Assessments constitute a lien on the real property in the District, superior to all other liens except the liens for property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes. If the owner of any lot or parcel of land is delinquent in the payment of any tax or assessment, including the Assessments, then the County Treasurer will move, as provided by law, to collect delinquent taxes, assessments, including the Assessments, penalties, and costs for their collection.

**Description of the
2022 Bonds**

The \$_____ * Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2022 (the “2022 Bonds”) of the County are dated _____, and mature on _____ in each of the years and in the amounts set forth on the inside cover page hereof. Interest on the 2022 Bonds accrues at the respective rates shown on the inside cover hereof from the date of initial delivery thereof and is payable on _____, and on each _____ and _____ thereafter until maturity or prior redemption. The 2022 Bonds have been authorized by Ordinance 2022-____ enacted by the Council on _____, pursuant to the authorization of the Act. The 2022 Bonds are being issued pursuant to a Master Trust Indenture, dated as of _____ (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as of _____ (the “Supplemental Indenture,” together with the Master Indenture, the “Indenture”), by and between the County and U.S. Bank Trust Company, National Association, a national banking association, as trustee (the “Trustee”).

Use of Proceeds

The proceeds from the sale of the 2022 Bonds, along with other available moneys, will be used to (i) finance a portion of the Series Project (as defined herein), including capitalized interest on the 2022 Bonds; (ii) fund the Series 2022 Debt Service Reserve Account in an amount equal to the Series 2022 Debt Service Reserve Requirement (as such terms are defined herein); and (iii) pay certain costs and expenses relating to the issuance of the 2022 Bonds.

Redemption

The 2022 Bonds maturing on and after _____, 20____, are subject to optional redemption prior to maturity, in whole or in part from time to time, on and after _____, 20____, as described herein. The 2022 Bonds are also subject to Mandatory and Extraordinary Mandatory Redemption as described herein.

Mandatory Redemption

The 2022 Bonds maturing on _____, 20____, are also subject to mandatory sinking fund redemption, by lot or other customary method of random selection designated by the Trustee, at a price equal to the principal amount thereof plus accrued interest to the date of redemption as described herein under as described herein.

Source of Payment

The 2022 Bonds and any Additional Bonds (as defined herein) are payable solely from and secured by a lien on and pledge of the Pledged Revenues, which consist of, among other things, (i) the revenues derived from assessments (including penalties, interest and expenses thereon) imposed within the District and collected by the County pursuant to the Act (the “Assessments”), (ii) the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture, except for moneys and funds held in any Account established for a particular Series of Bonds in the Rebate Fund and moneys on deposit in any

* Preliminary, subject to change.

Series Account of the Debt Service Fund or Debt Service Reserve Fund relating to a Series of Bonds other than the 2022 Bonds, and such other property as may be contemplated by the Indenture (collectively, the “Trust Estate”). See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS” herein.

As provided in the Act, the Assessments constitute a lien on the real property in the District superior to all other liens except the liens for real property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for real property taxes, and there is no State case law on point. **Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.**

Within the limits of the Rate Study (as defined herein), the County may adjust the Assessments levied on all property within the District to provide an amount required to pay debt service on the 2022 Bonds and any Additional Bonds and to pay all annual Administrative Expenses; provided, that in no event shall an annual billed Assessment exceed \$1,550 per Developed Parcel (as defined herein). However, the amount of the Assessments that may be levied against a particular parcel within the District is subject to the amount of the Assessments provided in the Rate Study approved by the County.

THE 2022 BONDS AND THE INTEREST THEREON ARE NOT PAYABLE FROM, NOR ARE THEY A CHARGE UPON, ANY FUNDS OR REVENUES OTHER THAN THE TRUST ESTATE UNDER THE INDENTURE. THE 2022 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE), AND THE 2022 BONDS DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY. NO OWNER OF 2022 BONDS OR ANY OTHER PERSON WILL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE OR THE 2022 BONDS.

Other Characteristics

The 2022 Bonds will be issued in fully registered form in the denomination of \$25,000 or integral multiples of \$5,000, and will be

in book-entry-only form. See “**DESCRIPTION OF THE 2022 BONDS—Book-Entry System.**”

**Professionals Involved
In Offering**

Burr & Forman LLP, Columbia, South Carolina, is serving as Bond Counsel and Disclosure Counsel to the County. Smith Robinson Holler DuBose and Morgan, LLC, Columbia, South Carolina is serving as County attorney. GrayRobinson, P.A., Tampa, Florida, is serving as legal counsel to the Underwriter, and Pope Flynn, LLC, Columbia South Carolina, is serving as legal counsel to the Developer. ESP Associates, Inc., Fort Mill, South Carolina, is serving as the civil engineer. MuniCap, Inc., Charleston, South Carolina, is serving as the assessment consultant for the District.

Legal Opinion

The legal opinion of Burr & Forman LLP Columbia, South Carolina, substantially in the form set forth in Appendix F hereto will be delivered on the date of delivery of the 2022 Bonds.

LANCASTER COUNTY, SOUTH CAROLINA

\$ _____ * ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BONDS, SERIES 2022

INTRODUCTION

This Preliminary Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information in connection with the offering and issuing by Lancaster County, South Carolina (the “County”), of its \$ _____* Roselyn Residential Improvement District, Assessment Revenue Bonds, Series 2022 (the “2022 Bonds”).

Unless otherwise defined herein, capitalized terms used throughout this Preliminary Limited Offering Memorandum are defined in the Indenture (as defined herein), substantially final versions of which are included in Appendix H hereto.

This introduction briefly describes the contents of this Preliminary Limited Offering Memorandum and is qualified by reference to the entire contents hereof, including the Appendices hereto, as well as the documents summarized or described herein.

AUTHORIZATION

The 2022 Bonds have been authorized by Ordinance No. 2022-____ enacted on _____ (the “Bond Ordinance”), by the County Council (the “Council”) of the County, pursuant to the authorization of the South Carolina Residential Improvement District Act (codified at Chapter 35 of Title 6, Code of Laws of South Carolina 1976, as amended (the “Act”)). The 2022 Bonds are being issued pursuant to a Master Trust Indenture, dated as of _____ (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as of _____ (the “Supplemental Indenture,” together with the Master Indenture, the “Indenture”), by and between the County and U.S. Bank Trust Company, National Association, a national banking association, as trustee (the “Trustee”).

THE DISTRICT AND THE DEVELOPMENT

The Roselyn Residential Improvement District (the “District”), was created by Ordinance 2020-1691, enacted by the Council on December 14, 2020, as amended by Ordinance No. 2022-____, on _____, 2022 (as so amended, the “District Ordinance”). The District is located approximately 25 miles south of Charlotte, North Carolina (and approximately 35 miles south of uptown Charlotte), approximately 38 miles from Charlotte-Douglas International Airport and approximately 15 miles from Interstate 485, the outer beltway around Charlotte. The District’s boundaries are generally coterminous with those of the Development. A map of the District is shown in Appendix B hereto.

The Development is anticipated to be an approximately 1,395-acre master-planned residential community located in the northern portion of the County. The Development consists of seven major phases, each expected to have multiple smaller phases, of construction that are projected to include approximately 1,860 residential units on approximately 374 acres for development, approximately 937 acres of common open space, roads and rights-of-way and recreational areas, and an approximately 84-acre county park. A map of the Development is shown in Appendix A hereto

Phases 1 and 2 of the Development are expected to be fully developed by December 2025. The remaining phases of the Development are expected to be fully developed by December 2032. See “**THE DEVELOPMENT AND THE DEVELOPER – THE DEVELOPMENT – Development Plan, Status, and Absorption.**”

* Preliminary, subject to change.

THE DEVELOPER

The Developer is Lennar Carolinas, LLC, a Delaware limited liability company. See “**THE DEVELOPER**” herein.

USE OF PROCEEDS OF THE 2022 BONDS

The proceeds from the sale of the 2022 Bonds, along with other available moneys, will be used to (i) finance all or a portion of the Series 2022 Project (as defined herein), including capitalized interest on the 2022 Bonds; (ii) fund the Series 2022 Debt Service Reserve Account in an amount equal to the Series 2022 Debt Service Reserve Requirement (as such terms are defined herein); and (iii) pay certain costs and expenses relating to the issuance of the 2022 Bonds. See “**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**” and “**THE PROJECT**” herein.

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS

The 2022 Bonds and any Additional Bonds (as defined herein) are payable solely from and secured by a lien and pledge of the Pledged Revenues, which consist of, among other things, assessments (including penalties, interest and expenses thereon) imposed within the District and collected by the County pursuant to the Act (the “Assessments”), the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture, except for moneys and funds held in any Account established for a particular Series of Bonds in the Rebate Fund and moneys on deposit in any Series Account of the Debt Service Fund or Debt Service Reserve Fund relating to a Series of Bonds other than the 2022 Bonds, and such other property as may be contemplated by the Indenture (collectively, the “Trust Estate”). See “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS**” herein.

As provided in the Act, the Assessments constitute a lien on the real property in the District superior to all other liens except the liens for real property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for real property taxes, and there is no State of South Carolina (the “State”) case law on point. **Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.**

NO OBLIGATION OF COUNTY WITH RESPECT TO THE 2022 BONDS

The 2022 Bonds and the interest thereon are not payable from, nor are they a charge upon, any funds or revenues other than the Trust Estate. The 2022 Bonds do not constitute a general obligation or indebtedness of the County within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 14(10) of the State Constitution authorizing indebtedness payable solely from a source of revenues derived other than from a tax or license), and the 2022 Bonds do not constitute either a pledge of the full faith and credit or a charge against the general credit or taxing power of the County. No owner of 2022 Bonds or any other person will ever have the right to compel the exercise of any *ad valorem* taxing power of the County or any other public authority or governmental body to pay debt service or to pay any other amounts required to be paid pursuant to the Master Indenture, the Supplemental Indenture or the 2022 Bonds. See “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS**” herein.

CONSULTANTS

ESP Associates, Inc., Fort Mill, South Carolina (the “Civil Engineer”), has provided the Report of Civil Engineer, included as Appendix C hereto. MuniCap, Inc., a consulting firm (“MuniCap” or “Consultant”), developed the Assessment Roll for the District, including the Rate and Method of Apportionment of Assessments attached as an appendix thereto (the “Rate Study”), set forth in Appendix D hereto (the “Assessment Roll”).

BOND OWNERS' RISKS

The purchase of the 2022 Bonds involves significant risks to the registered owners of the 2022 Bonds (the "Bond Owners"). Payment of debt service on the 2022 Bonds may be dependent on, among other things, the commercial success of the Development and upon timely payment of the Assessments. There can be no assurance that these or any other risks will not affect the willingness or ability of the Developer and any subsequent owners of real property in the District (the "Subsequent Landowners" and, together with the Developer, "Landowners") to make timely payment of the Assessments. See "**BOND OWNERS' RISKS**" and "**SUITABILITY FOR INVESTMENT**" herein for a discussion of certain risk factors which should be considered, in addition to the matters set forth herein, when evaluating the investment quality of the 2022 Bonds.

GENERAL INFORMATION RELATING TO THE 2022 BONDS

The 2022 Bonds will be dated the date of their delivery, will be issued in one series and will mature in the years and amounts and will bear interest (based on a 360-day year consisting of twelve 30-day months) from their date at such rates, payable semiannually on _____ and _____ (each, an "Interest Payment Date"), commencing _____, all as set forth on the inside cover page of this Preliminary Limited Offering Memorandum.

The 2022 Bonds are issuable as fully registered bonds in authorized denominations of \$25,000 or integral multiples of \$5,000. Initially, a single bond for each maturity shall be issued and, when issued, will be registered to Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the 2022 Bonds will be made in book-entry form only.

THE 2022 BONDS MAY BE INITIALLY PURCHASED AND SUBSEQUENTLY TRANSFERRED IN WHOLE OR IN PART ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED). SEE "DESCRIPTION OF THE 2022 BONDS—GENERAL DESCRIPTION" HEREIN.

REDEMPTION

The 2022 Bonds maturing _____, are subject to mandatory redemption on each _____, commencing _____, 20___. See "**DESCRIPTION OF THE 2022 BONDS—REDEMPTION PROVISIONS**" herein.

The 2022 Bonds maturing on or after _____, shall be subject to redemption at the option of the County as a whole or in part, at any time on or after _____, 20_____ (less than all 2022 Bonds to be selected by lot), at the redemption prices (plus accrued interest from the most recent Interest Payment Date to the redemption date) as set forth in "**DESCRIPTION OF THE 2022 BONDS—REDEMPTION PROVISIONS**" herein.

The 2022 Bonds are subject to extraordinary mandatory redemption by the County prior to maturity in whole, on any date, or in part, on any Interest Payment Date, at the redemption price of 100% of the principal amount of the 2022 Bonds to be redeemed, without premium, if any of the following events occur and funds are deposited into the Series 2022 Prepayment Account or the Series 2022 General Account within the Bond Redemption Fund in connection therewith: (i) Landowners prepay any Assessments prior to the time such Assessments are due; (ii) the amounts on deposit in the Series 2022 Accounts and Series 2022 Sub-accounts in the Series 2022 Funds and Series 2022 Accounts are sufficient to pay and redeem all of the 2022 Bonds then Outstanding, including accrued interest thereon; (iii) on or after the Series 2022 Completion Date, from amounts remaining in the Series 2022 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for payment of any remaining part of the Series 2022 Project, or certain amounts remaining in the Series 2022 Capitalized Interest Account of the Acquisition and Construction and not needed to pay capitalized interest on the 2022 Bonds; (iv) excess moneys are available and transferred from the Series 2022

Revenue Account to the Series 2022 General Account within the Bond Redemption Fund; (v) after condemnation or sale of any portion of the Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2022 Project to the Trustee for deposit into the Series 2022 General Account within the Bond Redemption Fund; (v) after the damage or destruction of all or substantially all of the Series 2022 Project to such extent that, in the reasonable opinion of the County, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the County to the Trustee for deposit to the Series 2022 General Account within the Bond Redemption Fund; and (vi) the amounts on deposit in the Series 2022 Debt Service Reserve Accounts are in excess of the Series 2022 Debt Service Requirement as provided in the Indenture. See **“DESCRIPTION OF THE 2022 BONDS—Redemption Provisions”** and **“SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS”** herein.

NOTICES TO BOND OWNERS

Redemption notices to the Bond Owners will be given not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Bond Owners whose 2022 Bonds are called for redemption at their addresses appearing on the registration books for the 2022 Bonds. So long as a book-entry only system is used for registration of the 2022 Bonds, any notice of redemption or other notices will be sent only to DTC or its nominee, as the registered owner of the 2022 Bonds.

SECONDARY MARKET DISCLOSURE

The Developer and the County have agreed to provide certain financial information, operating information and notice of the occurrence of certain events with respect to the 2022 Bonds, if material. See **“CONTINUING DISCLOSURE”** herein and Appendix G, **“FORM OF CONTINUING DISCLOSURE AGREEMENT”** hereto.

TAX TREATMENT

Assuming compliance by the County with certain covenants, interest on the 2022 Bonds is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions. Interest on the 2022 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. For tax years beginning after December 31, 2022, interest on the 2022 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Under the present laws of the State of South Carolina, the 2022 Bonds and the interest thereon will be exempt from all South Carolina income taxation except estate or other transfer taxes and certain franchise tax. The opinion contains greater detail, and is subject to exceptions, as noted in **“TAX TREATMENT”** herein.

ADDITIONAL INFORMATION

Prospective investors in the 2022 Bonds should read this entire Preliminary Limited Offering Memorandum, including the appendices hereto, in order to make an informed investment decision. The appendices to, and all footnotes in, this Preliminary Limited Offering Memorandum constitute a part of this Preliminary Limited Offering Memorandum and contain information which any potential investor should read in conjunction with the other parts of this Preliminary Limited Offering Memorandum in order to make an informed investment decision. This Preliminary Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

There follows in this Preliminary Limited Offering Memorandum a brief description of the District, the Project, the Developer, the Development and the County, together with summaries of the terms of the 2022 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such document and statute and all references to the 2022 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. The information herein under the captions **“THE**

DEVELOPMENT,” “THE DEVELOPER,” and Appendices A, B, C, D and F have been furnished by the Developer or its agents and not by the County or the Underwriter. During the initial offering period for the 2022 Bonds, inquiries for documents or concerning this Preliminary Limited Offering Memorandum should be directed to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler, email: jkessler@fmsbonds.com.

DESCRIPTION OF THE 2022 BONDS

GENERAL DESCRIPTION

The 2022 Bonds are issuable as fully registered bonds in authorized denominations of \$25,000 or integral multiples of \$5,000.

The 2022 Bonds will be dated their date of delivery, and will bear interest at the fixed rates per annum set forth on the inside cover page hereof from the Interest Payment Date to which interest has been paid next preceding their date of authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such 2022 Bond has been paid, in which event such 2022 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2022 Bonds, in which event, such 2022 Bond shall bear interest from its date. Interest on the 2022 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The 2022 Bonds will mature, subject to the redemption provisions set forth below, on the dates and in the amounts set forth on the inside cover page hereof.

The 2022 Bonds will be initially issued in the form of a single fully registered certificate for each maturity thereof. Upon initial issuance, the ownership of the 2022 Bonds will be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the initial bond depository. All of the Outstanding 2022 Bonds will be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC (see “**DESCRIPTION OF THE 2022 BONDS-BOOK-ENTRY SYSTEM**”).

During the period for which Cede & Co. is the registered owner of the 2022 Bonds, any notices to be provided to owners of 2022 Bonds will be provided to Cede & Co. DTC will be responsible for notices to Direct Participants and Direct Participants will be responsible for notices to Indirect Participants, and Direct Participants and Indirect Participants will be responsible for notices to Beneficial Owners (as such terms are hereinafter defined).

The Indenture provides that the County, the Trustee or the Paying Agent will deem and treat the person in whose name any 2022 Bond is registered as the absolute owner thereof (whether or not such 2022 Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the County, the Trustee or any Paying Agent) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such 2022 Bond, and for all other purposes, and the County, the Trustee and any Paying Agent will not be affected by any notice to the contrary. All such payments so made to any such owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such 2022 Bond.

THE 2022 BONDS MAY BE INITIALLY PURCHASED AND SUBSEQUENTLY TRANSFERRED IN WHOLE OR IN PART ONLY TO “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED).

U.S. Bank Trust Company, National Association, Columbia, South Carolina, is the Trustee and Paying Agent for the 2022 Bonds.

REDEMPTION PROVISIONS

Optional Redemption

The 2022 Bonds are not subject to optional redemption prior to _____, 20__. The 2022 Bonds may, at the option of the County, be called for redemption prior to maturity as a whole, at any time, or in part on any Interest Payment Date, on or after _____, 20__, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the date of redemption.

If less than all of the 2022 Bonds are called for redemption, the Trustee will select the 2022 Bonds or portions of the 2022 Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. The portion of 2022 Bonds to be redeemed shall be in an Authorized Denomination.

Mandatory Redemption

The 2022 Bonds are subject to mandatory redemption in part by the County by lot prior to their scheduled maturity from moneys in the Series 2022 Sinking Fund Account established under the Indenture in satisfaction of Sinking Fund Installments (as defined in the Indenture) at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on _____ of the years and in the principal amounts set forth below:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
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†Final Maturity

As more particularly set forth in the Indenture, any 2022 Bonds that are purchased by the County with amounts held to pay a Sinking Fund Installment will be cancelled and the principal amount so purchased will be applied as a credit against the Sinking Fund Installment of 2022 Bonds. In addition, the above Sinking Fund Installments are subject to recalculation, as provided in the Indenture, as the result of certain purchases or the redemption of 2022 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of the 2022 Bonds.

Extraordinary Mandatory Redemption

The 2022 Bonds are subject to extraordinary mandatory redemption prior to maturity by the County in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price of 100% of the principal amount of the 2022 Bonds to be redeemed, without premium, plus interest accrued to the date of redemption, as follows:

- (a) from Series 2022 Prepayment Principal deposited into the Series 2022 Prepayment Account within the Bond Redemption Fund following the payment in whole or in

part of Assessments on any portion of the property within the District in accordance with the provisions of the Indenture and the Assessment Roll, including excess moneys transferred from the Series 2022 Debt Service Reserve Account to the Series 2022 General Account within the Bond Redemption Fund resulting from such Assessment prepayments pursuant to the Indenture (for more information regarding Prepayments and the right to prepay Assessments, see **“SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS”** and **“ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—COLLECTION PROCEDURES”** herein); or

(b) from moneys, if any, on deposit in the Series 2022 Accounts and Series 2022 Subaccounts in the Series 2022 Funds and Series 2022 Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding 2022 Bonds, and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture; or

(c) on or after the Series 2022 Completion Date (as defined herein) but subject to the provisions of the Indenture described under “_____”, by application of moneys remaining in the Series 2022 Acquisition and Construction Account within the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2022 Project; and on or after [_____]1, [____], by application of any moneys remaining in the Series 2022 Capitalized Interest Account representing Capitalized Interest in excess of the amount required to pay interest on the 2022 Bonds through [_____] 1, [____], all of which will be transferred to the Series 2022 General Account within the Bond Redemption Fund, credited toward extinguishment of the Assessments and applied toward the redemption of the 2022 Bonds in accordance with the Indenture; or

(d) from excess moneys transferred from the Series 2022 Revenue Account to the Series 2022 General Account within the Bond Redemption Fund in accordance with the Indenture; or

(e) following condemnation or the sale of any portion of the Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Project to the Trustee by or on behalf of the County for deposit into the Series 2022 General Account within the Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the County to redeem 2022 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments which the County will describe to the Trustee in writing; or

(f) following the damage or destruction of all or substantially all of the Project to such extent that, in the reasonable opinion of the County, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the County to the Trustee for deposit to the Series 2022 General Account within the Bond Redemption Fund which moneys shall be applied by the Issuer to redeem 2022 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments; provided, however, that at least 45 days prior to such extraordinary mandatory redemption, the County will cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Civil Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or

(g) from amounts on deposit in the Series 2022 Debt Service Reserve Account in excess of the Series 2022 Debt Service Reserve Requirement, and transferred to the Series 2022 General Account within the Bond Redemption Fund in accordance with the Indenture to be used

for the extraordinary mandatory redemption of the 2022 Bonds (see “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS—DEBT SERVICE RESERVE FUND**” herein); or

(h) from amounts on deposit in the Series 2022 Debt Service Reserve Account in excess of the Series 2022 Debt Service Reserve Requirement and transferred to the Series 2022 Prepayment Account within the Bond Redemption Fund in accordance with the Indenture to be used, together with any Assessment prepayments on deposit in the Series 2022 Prepayment Account within the Bond Redemption Fund for the extraordinary mandatory redemption of the 2022 Bonds.

If less than all of the 2022 Bonds are to be redeemed pursuant to an Extraordinary Mandatory Redemption, the Trustee will, except as otherwise provided in the Indenture, select the 2022 Bonds or portions of the 2022 Bonds to be redeemed by lot. The portion of 2022 Bonds to be redeemed shall be in an Authorized Denomination.

NOTICE OF REDEMPTION

The Trustee will cause notice of each redemption, either in whole or in part, to be mailed at least 30 but not more than 60 days prior to the redemption or purchase date to all Owners of 2022 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the Business Day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the 2022 Bonds for which notice was duly mailed in accordance with the Indenture. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all 2022 Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the 2022 Bonds called for redemption shall be payable on the redemption date at the Redemption Price plus accrued interest, if any, to the redemption date. 2022 Bonds so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

ADDITIONAL INFORMATION CONCERNING THE 2022 BONDS

For additional information concerning the 2022 Bonds, see Appendix H, “**SUBSTANTIALLY FINAL DRAFTS OF THE INDENTURE.**”

BOOK-ENTRY SYSTEM

Beneficial ownership interests in the 2022 Bonds will be available only in book-entry form. Beneficial owners of the 2022 Bonds (“Beneficial Owners”) will not receive a physical bond certificate representing their interests in the 2022 Bonds purchased. Unless and until the book-entry system has been discontinued, the 2022 Bonds will be available only in book-entry form in principal amounts of \$5,000, or any integral multiple thereof. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, IS THE REGISTERED OWNER OF THE 2022 BONDS, REFERENCES IN THIS PRELIMINARY LIMITED OFFERING MEMORANDUM TO THE OWNERS OF THE 2022 BONDS SHALL MEAN DTC OR ITS NOMINEE AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

DTC PROVIDES THE FOLLOWING LANGUAGE DESCRIBING ITS PROCEDURES AND RECORDKEEPING ON BENEFICIAL OWNERSHIP INTEREST IN THE 2022 BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS ON THE 2022 BONDS TO DTC PARTICIPANTS (AS DEFINED BELOW) OR TO BENEFICIAL OWNERS OF THE 2022 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2022 BONDS, AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS

FOR INCLUSION IN OFFERING DOCUMENTS. ACCORDINGLY, THE COUNTY MAKES NO REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the 2022 Bonds. The 2022 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2022 Bond in the aggregate principal amount of each maturity of the 2022 Bonds will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificated bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests with respect to the 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2022 Bonds, unless the use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all of the 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2022 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the enabling

documents. For example, Beneficial Owners of 2022 Bonds may wish to ascertain that the nominee holding the 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2022 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2022 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Trustee as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the 2022 Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2022 BONDS FOR SUBSTANTIALLY ALL PURPOSES, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF THE BENEFICIAL OWNERS IS UNKNOWN TO THE COUNTY, TO DTC OR TO THE TRUSTEE, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE 2022 BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Payments of principal, interest and any redemption premiums on the 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Trustee's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. THE COUNTY CAN GIVE NO ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

DTC may discontinue providing its service as depository with respect to the 2022 Bonds at any time by giving reasonable notice to the Trustee or the County. Under such circumstances, in the event that a successor depository is not obtained, 2022 Bond certificates are required to be printed and delivered.

The County may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2022 Bond certificates will be printed and delivered to DTC.

The County and the Trustee have no responsibility or obligation to DTC, the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the 2022 Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any

notice to any Beneficial Owner which is required or permitted under the Bond Ordinance to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the 2022 Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the 2022 Bonds, including any action taken pursuant to an omnibus proxy.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

The County and the Trustee cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the 2022 Bonds (1) payments of principal of, premium, if any, and interest with respect to the 2022 Bonds, (2) confirmations of their ownership interests in the 2022 Bonds or (3) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the 2022 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Preliminary Limited Offering Memorandum.

Beneficial Owners of the 2022 Bonds may experience some delay in their receipt of distributions of principal and interest on the 2022 Bonds since such distributions will be forwarded by the Trustee to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants. Issuance of the 2022 Bonds in book-entry form may reduce the liquidity of the 2022 Bonds in the secondary trading market since investors may be unwilling to purchase Bonds for which they cannot obtain physical certificates. In addition, because transactions in the 2022 Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge 2022 Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to the lack of a physical certificate.

DISCONTINUANCE OF BOOK-ENTRY SYSTEM

In the event that the 2022 Bonds are no longer in book-entry-only form, the certificates held by DTC or a successor securities depository will be canceled and the County will execute and deliver 2022 Bonds in fully registered form to the Beneficial Owners of the 2022 Bonds as shown on the records of the DTC Participants or the nominee of a successor securities depository. If no other securities depository is named, interest on the 2022 Bonds will be paid by check or draft of the Trustee, mailed to the person in whose name the 2022 Bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment, and principal shall be payable to the registered owner at maturity upon presentation and surrender thereof to the Trustee at its principal corporate trust office. In such event, the County will maintain through the Trustee books of registry for the purpose of registering ownership and transfer of the 2022 Bonds. The 2022 Bonds would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the 2022 Bond to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The Trustee will, upon receipt thereof, authenticate and deliver a new 2022 Bond or 2022 Bonds in like principal amount as the 2022 Bond so presented. The County and the Trustee will deem and treat the person in whose name each 2022 Bond is registered as the absolute owner thereof for all purposes.

DEBT SERVICE REQUIREMENTS

The following presents the debt service schedule for the 2022 Bonds based on the maturity dates and interest rates set forth on the cover of this Preliminary Limited Offering Memorandum and the mandatory redemption requirements applicable to the 2022 Bonds set forth above:

YEAR ENDING DECEMBER 31	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE
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ESTIMATED SOURCES AND USES OF BOND PROCEEDS

	<u>TOTAL</u>
Sources of Funds	
Principal amount of the 2022 Bonds	
[Plus][Less] net original issue [premium][discount]	
TOTAL SOURCES	
Uses of Funds	
Deposit to Series 2022 Account of Acquisition and Construction Fund	
Deposit to 2022 Debt Service Reserve Account	
[Deposit to Administrative Expense Fund]	
Costs of Issuance ¹	
TOTAL USES	<u> </u>

¹ Includes legal and consultants fees, Underwriter fees, fees of the Trustee, other costs related to the issuance of the 2022 Bonds, and rounding.

THE SERIES 2022 PROJECT AND THE PROJECT

ESP Associates, Inc., Fort Mill, South Carolina (the “Engineer”) prepared a report entitled Engineer’s Report – Infrastructure Improvements for Roselyn Residential Improvement District – Phases 1 & 2, dated _____, 2022 (the “Engineer’s Report”) which describes the infrastructure necessary to allow for the full development of Phases 1 and 2 of the Development, including the roadways, and onsite and offsite water and sewer infrastructure (the “Series 2022 Project”). The Series 2022 Project consists of certain master infrastructure that is required for the development of Phases 1 and 2 and future phases of the Development, as well as infrastructure that is specific to Phases 1 and 2. According to the Engineer’s Report, the estimated total cost of the infrastructure included within the Series 2022 Project is approximately \$50,507,845.

The Issuer is issuing the 2022 Bonds in order to finance a portion of the costs of the Series 2022 Project, to pay capitalized interest on the 2022 Bonds, fund the Series 2022 Debt Service Reserve Account in an amount equal to the Series 2022 Debt Service Reserve Requirement, and pay costs and expenses relating to the issuance of the 2022 Bonds. See “**ESTIMATED SOURCES AND USES OF FUNDS**” herein. The net proceeds of the 2022 Bonds to be deposited into the Series 2022 Acquisition and Construction Account of the Acquisition and Construction Fund and used to pay the cost to acquire the Series 2022 Project will be approximately \$[_____]”, and any additional moneys needed to complete the Series 2022 Project or other portions of the Development will be paid for by the Developer.

The table on the following page provides a list of the components of infrastructure that are anticipated to be included in the Series 2022 Project, including the estimated costs thereof, as set forth in the Engineer’s Report. All costs include engineering, design, permitting, construction monitoring costs, and various other miscellaneous costs associated with the construction of the Series 2022 Project.

* Preliminary, subject to change.

Series 2022 Project	Total Budget (Estimated)	Estimated % Complete - 09.30.22	Estimated Spent by Lennar - 09.30.22	Anticipated Substantial Completion Date
Roselyn Avenue Phase 1	\$7,961,893	70.1%	\$5,580,704	June 2023
Roselyn Avenue Phase 1 Waterline	2,199,099	90.9	1,997,941	June 2023
Roselyn Avenue Phase 2	8,100,346	65.3	5,292,536	September 2023
Roselyn Avenue Phase 2 Waterline	1,329,095	8.7	115,160	September 2023
Gravity Sanitary Sewer Trunkline A	3,479,552	66.1	2,301,704	March 2023
Gravity Sanitary Sewer Trunkline B	1,324,167	94.4	1,249,744	March 2023
Pump Station #1 & Forcemain	16,469,326	0.1	19,153	November 2023
Pump Station #2 & Forcemain	2,120,485	0.0	-	November 2023
Intersection of Roselyn Ave. and Hwy. 521 - Access B	500,000	29.1	145,654	December 2024
Intersection of N. Corner Rd. and Hwy. 521	100,000	0.0	-	November 2023
Intersection of Roselyn Ave. and Old Hickory Rd. - Access C	275,300	0.0	-	September 2023
Intersection of Old Hickory Rd. and Hwy. 5 (Rock Hill Hwy.)	500,000	0.0	-	December 2024
Soft Costs	6,148,583	55.0	3,382,066	n/a
TOTAL	\$50,507,845	39.8%	\$20,084,662	

The Improvement Plan contemplates that additional public improvements and infrastructure will be needed to support the Development, including the Series 2022 Project (the “Project”). As described in the Improvement Plan, the Project includes the following offsite improvements:

- Right turn lane and median modifications to Highway 521 and Proposed Access B (Roselyn Avenue)
- Traffic signal at Highway 521 and North Corner Road
- Right turn lane on Old Hickory Road at Proposed Access C (Roselyn Avenue)

As of the date hereof, Lennar Carolinas, LLC, a Delaware limited liability company (the “Developer”), has spent approximately \$30,720,275 towards land development activity associated with the Development and construction and installation of infrastructure comprising the Series 2022 Project. See “**THE DEVELOPMENT AND THE DEVELOPER – THE DEVELOPMENT – Development Plan, Status, and Absorption**” herein for more information. Of this amount, the Developer has incurred approximately \$20,084,662 in costs associated with the planning, engineering, permitting, and construction of the Series 2022 Project.

The master roadway boulevard improvements serving Phases 1 and 2 of the Development are approximately 67.7% complete and expected to be completed by September 2023 with certain intersection improvements and enhancements expected to be completed by December 2024. The pump station and sanitary sewer forcemain improvements serving Phases 1 and 2 of the Development are expected to commence construction in November 2022 and be completed by November 2023. The gravity sanitary sewer trunkline improvements serving Phases 1 and 2 of the Development are approximately 73.9% complete and expected to be completed by March 2023. The water line improvements serving Phases 1 and 2 of the Development are approximately 59.9% complete and expected to be completed by September 2023. Construction of the offsite traffic improvements has already commenced and is expected to be completed by December 2024. The Engineer has indicated that all permits necessary to construct the Project have either been obtained or are reasonably expected to be obtained in the ordinary course. See Appendix C, “**REPORT OF CIVIL ENGINEER**” for more information.

The County and the Developer will enter into an Acquisition and Project Funding Agreement (the “Series 2022 Project Agreement”), at the time of issuance of the 2022 Bonds, which provides the procedures for the payment of the costs of the Series 2022 Project. Under the Series 2022 Project Agreement, the Developer has agreed to complete any portions of the Series 2022 Project not funded with proceeds of the 2022 Bonds. See “**BOND OWNERS’ RISKS – FAILURE TO DEVELOP PROPERTIES**” herein. The County will acquire the components of the Series 2022 Project in accordance with its standard procedures for the dedication of the applicable types of infrastructure. The County will only disburse the proceeds of the 2022 Bonds to pay costs of identifiable components of the Series 2022 Project that have been fully accepted by the County, and the Developer has provided documentation showing the costs of such components.

The Indenture authorizes the County, in its discretion, to issue an additional Series of Bonds to pay costs to acquire additional components of the Project required for the development of additional phases of the Development. See “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS – ADDITIONAL OBLIGATIONS**” herein for more information. The Developer estimates that the cost of additional Projects required for full build-out of the Development will be \$22,000,000. The Assessment Proceedings contemplate the issuance of one or more additional Series of Bonds in an

aggregate principal amount of approximately \$22,780,000 which would be used to finance the costs of approximately \$16,900,000 of Projects.

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 BONDS

GENERAL

The principal of, redemption premium, if any, and interest on the 2022 Bonds and any Additional Bonds (as defined herein) are secured equally and ratably by a lien upon and pledge of the Trust Estate, including (i) the Pledged Revenues, which consist of, among other things, the revenues derived from the assessments (including penalties, interest and expenses thereon) imposed within the District and collected by the County pursuant to the Act (the "Assessments"), and the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture, except for moneys and funds held in any Account established for a particular Series of Bonds in the Rebate Fund and moneys on deposit in any Series Account of the Debt Service Fund or Debt Service Reserve Fund relating to a Series of Bonds other than the 2022 Bonds, and (ii) such other property as may be contemplated by the Indenture. As provided in the Act, the Assessments constitute a lien on the real property in the District superior to all other liens except the liens for real property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for real property taxes, and there is no State case law on point. **Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.** See "ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES" herein. The "ASSESSMENT ROLL FOR THE DISTRICT, INCLUDING RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS" is included as Appendix D hereto. Also, see Appendix E, "ASSESSMENT BILLING FORECAST REPORT."

THE 2022 BONDS AND THE INTEREST THEREON ARE NOT PAYABLE FROM, NOR ARE THEY A CHARGE UPON, ANY FUNDS OR REVENUES OTHER THAN THE TRUST ESTATE UNDER THE INDENTURE. THE 2022 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE), AND THE 2022 BONDS DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY. NO OWNER OF 2022 BONDS OR ANY OTHER PERSON WILL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE OR THE 2022 BONDS.

DEBT SERVICE RESERVE FUND

The Indenture establishes a Series 2022 Debt Service Reserve Account in the Debt Service Reserve Fund to be held by the Trustee as additional security to provide for the timely payment of principal, interest and redemption prices of the 2022 Bonds. The Series 2022 Debt Service Reserve Requirement is defined to mean, at the time of issuance of the 2022 Bonds, an amount equal to the least of (i) the maximum annual Debt Service Requirement for the Outstanding 2022 Bonds, (ii) 125% of the average annual Debt Service Requirement for Outstanding 2022 Bonds, and (iii) 10% of the original principal amount of the 2022 Bonds (less any original issue discount when such original issue discount

represents more than *de minimis* amount), which upon calculation is the maximum annual Debt Service Requirement for the Outstanding 2022 Bonds. See “**ESTIMATED SOURCES AND USES OF BOND PROCEEDS.**” The Series 2022 Debt Service Reserve Requirement may be reduced as described in the last paragraph of this section “**DEBT SERVICE RESERVE FUND.**”

Except as described below, amounts on deposit in the Series 2022 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series 2022 Interest Account and the Series 2022 Principal Account of the Debt Service Fund to pay debt service on the 2022 Bonds, and the Series 2022 Sinking Fund Account within the Debt Service Fund to provide for mandatory sinking fund redemption of 2022 Bonds, when due, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Accounts shall consist only of cash and Investment Securities or in lieu of thereof, a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

On each _____ and _____ (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee will determine the amount on deposit in the Series 2022 Debt Service Reserve Account and transfer any excess therein above the Series 2022 Debt Service Reserve Requirement for the 2022 Bonds to be deposited to the Series 2022 General Account within the 2022 Bond Redemption Fund to be used for the Extraordinary Mandatory Redemption of the 2022 Bonds as described under “**DESCRIPTION OF THE 2022 BONDS—REDEMPTION PROVISIONS—Extraordinary Mandatory Redemption**” herein.

Notwithstanding the foregoing paragraph and subject to the following paragraph, in the event that the amount of proceeds of the 2022 Bonds on deposit in the Series 2022 Debt Service Reserve Account exceeds the Series 2022 Debt Service Reserve Requirement with respect to the 2022 Bonds due to a decrease in the amount of 2022 Bonds that will be Outstanding as a result of an optional prepayment by the owner of a lot or parcel of land of an Assessments against such lot or parcel as provided in the Indenture, the amount to be released shall be transferred at the written direction of the County from the Series 2022 Debt Service Reserve Account to the Series 2022 Prepayment Account within the Bond Redemption Fund, as a credit against the Series 2022 Prepayment Principal otherwise required to be made by the owner of such lot or parcel as described under “**DESCRIPTION OF THE 2022 BONDS—REDEMPTION PROVISIONS—Extraordinary Mandatory Redemption**” herein.

Notwithstanding the two foregoing paragraphs, on or after the Series 2022 Completion Date, the Series 2022 Debt Service Reserve Requirement will be reduced to an amount equal to 50% of the maximum annual Debt Service Requirement for the then Outstanding 2022 Bonds, if (1) there is delivered to the Trustee a certificate of the Assessment Consultant (such delivery date being referenced herein as the “Certificate Delivery Date”) stating that the annual assessment report previously adopted by resolution of the Council demonstrates that the revenue to be generated from Assessments billed or to be billed to Assessed Property within the District that constitutes Developed Property (as defined herein) would be sufficient to pay the Debt Service Requirements coming due on the 2022 Bonds plus the estimated Administrative Expenses for the District all for the calendar year following such adoption date, and (2) no Event of Default has occurred and is then continuing, and all excess amounts in the Series 2022 Debt Service Reserve Account on such Certificate Delivery Date will be transferred to the Series 2022 Acquisition and Construction Account and applied to pay a portion of the Costs of the Series 2022 Project; provided, that any amounts so transferred to the Series 2022 Acquisition and Construction Account but not used for such purpose within [four] months of such transfer will be automatically transferred to the Series 2022 General Account within the Bond Redemption Fund and used for the extraordinary mandatory redemption of 2022 Bonds.

OTHER FUNDS AND ACCOUNTS CREATED UNDER THE INDENTURE

Revenue Fund. The Indenture establishes the Revenue Fund for the 2022 Bonds and any Additional Bonds. Pursuant to the Indenture, the County covenants that it will levy Assessments, and evidence and certify the same to the County Treasurer or will cause the County Auditor to certify the same on the tax roll to the County Treasurer for collection by the County Treasurer and enforcement by the County Treasurer or the County, pursuant to the Act or any successor statutes, as applicable, to the extent and in the amount necessary to pay the Debt Service Requirement on 2022 Bonds issued and Outstanding under the Indenture. The County also covenants to cause any Assessments collected or otherwise received by it to be deposited with the Trustee within 30 days after receipt thereof for deposit into the Series 2022 Revenue Account within the Revenue Fund (except that amounts received as prepayments of Assessments will be designated by the County as such upon delivery to the Trustee and shall be deposited directly into the Series 2022 Prepayment Account within the Bond Redemption Fund, as described below). Amounts on deposit in the Revenue Fund shall be applied as described below under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**”

Debt Service Fund. The Indenture establishes a Series 2022 Principal Account and a Series 2022 Interest Account for the 2022 Bonds in the Debt Service Fund. In addition, the Indenture establishes a Series 2022 Sinking Fund Account with respect to the 2022 Bonds. Amounts shall be deposited in the Debt Service Fund and its various accounts and subaccounts and applied in accordance with the terms and subject to the conditions set forth in the Indenture, as described below under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**”

Bond Redemption Fund. The Indenture establishes a Bond Redemption Fund and within such Fund there is established a Series 2022 General Account and a Series 2022 Prepayment Account for the 2022 Bonds. Amounts shall be deposited in Bond Redemption Fund and its various accounts and applied in accordance with the terms and subject to the conditions set forth in the Indenture, as described below under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**”

Administrative Expenses Fund. The Indenture establishes the Administrative Expenses Fund, into which amounts shall be deposited and applied in accordance with the terms and subject to the conditions set forth in the Indenture, as described below under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**” Administrative Expenses is defined in the Rate Study to mean the actual or budgeted costs, as applicable, directly related to the administration of the District, including but not limited to: the costs of the recurring updates to the Assessment Roll; the costs of computing the Annual Installment and Annual Payment (as such terms are defined in the Assessment Roll); the costs of collecting the Annual Payment; the costs of remitting the Annual Payment to the Trustee; the costs of the Administrator (as defined herein) and Trustee (including their legal counsel) in the discharge of their duties; the costs of the County complying with arbitrage rebate requirements; the costs of the County of complying with securities disclosure requirements; County expenses for the billing, collection and enforcement of the Assessment or in any other way related to the District; and any other costs of the County related to the administration and operation of the District, including, without limitation, the costs of legal counsel and other consultants and advisors, and costs related to commencing foreclosure and pursuing collection of delinquent Annual Payments.

DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS

The County will deposit Pledged Revenues and Prepayments with the Trustee within 30 days of receipt thereof together with a written accounting setting forth the source of such Pledged Revenues and Prepayments. The Pledged Revenues shall be deposited in the Revenue Fund and the Prepayments shall be deposited in the Series 2022 Prepayment Account within the Bond Redemption Fund.

Moneys in the Series 2022 General Account within the Bond Redemption Fund (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, except for moneys received as prepayments of Assessments pursuant to the Indenture, to make such deposits into the Rebate Fund, if any, as the County may direct the Trustee in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2022 General Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for extraordinary mandatory redemption an amount of the 2022 Bonds equal to the amount of money transferred to the Series 2022 General Account within the Bond Redemption Fund pursuant to the Indenture for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of an Authorized Officer, to call for redemption on each Interest Payment Date on which the 2022 Bonds are subject to optional redemption pursuant to the Indenture such amount of 2022 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of 2022 Bonds shall be called for redemption at one time.

Moneys in the Series 2022 Prepayment Account of the Bond Redemption Fund (including all earnings on investments held in such Series 2022 Prepayment Account within the Bond Redemption Fund) shall be accumulated therein to be used to the extent that the need therefor arises to call for extraordinary mandatory redemption an amount of the 2022 Bonds equal to the amount of money transferred to the Series 2022 Prepayment Account within the Bond Redemption Fund pursuant to the Indenture, as appropriate, and as directed by the County pursuant to the Assessment Roll and the Assessment Ordinance, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Indenture, as appropriate, as more fully described above under **“DESCRIPTION OF THE 2022 BONDS—REDEMPTION PROVISIONS—*Extraordinary Mandatory Redemption.*”**

The Trustee will transfer from amounts on deposit in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, there shall be deposited into the Administrative Expenses Fund the portion of the Assessments imposed and collected for the Administrative Expenses. The Trustee is authorized to pay such Administrative Expenses upon receipt of a written direction signed by an Authorized Officer;

SECOND, upon receipt but no later than the Business Day preceding each _____, commencing _____, _____, to the Series 2022 Interest Account within the Debt Service Fund, an amount from the Series 2022 Revenue Account equal to the interest on the 2022 Bonds becoming due on the next succeeding _____, less any amounts on deposit in the respective Series 2022 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding _____, 20__ for the 2022 Bonds, to the Series 2022 Principal Account within the Debt Service Fund, an amount from the Series 2022 Revenue Account equal to the principal amount of 2022 Bonds Outstanding maturing

on _____, 20__, if any, less any amounts on deposit in the Series 2022 Principal Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next preceding each _____ thereafter to the Series 2022 Interest Account within the Debt Service Fund, an amount from the Series 2022 Revenue Account equal to the interest on the 2022 Bonds becoming due on the next succeeding _____, less any amount on deposit in the Series 2022 Interest Account not previously credited;

FIFTH, no later than the Business Day next preceding each _____, commencing _____, 20__, to the Series 2022 Sinking Fund Account within the Debt Service Fund, an amount from the Series 2022 Revenue Account equal to the principal amount of the 2022 Bonds subject to sinking fund redemption on such _____, less any amount on deposit in the Series 2022 Sinking Fund Account not previously credited;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while such 2022 Bonds remain Outstanding, to the Series 2022 Debt Service Reserve Account, an amount from the Series 2022 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2022 Debt Service Reserve Requirement for the 2022 Bonds; and

SEVENTH, subject to the following paragraph the balance of any moneys remaining after making the foregoing deposits shall remain therein.

The Trustee will within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the County, withdraw any moneys held for the credit of the Series 2022 Revenue Account to the credit of the Series 2022 General Account within the Bond Redemption Fund as determined by the County in accordance with the provisions of the Indenture; provided, that for so long as the Debt Service Requirements of the Series 2022 Bonds for a given calendar year consists solely of interest payments, any excess amounts held for the credit of the Revenue Fund after payment of such Debt Service Requirements will remain in the Revenue Fund and not be deposited to the Series 2022 General Account of the Bond Redemption Fund as provided above. Assessment prepayments will be deposited directly into the Series 2022 Prepayment Account of the Bond Redemption Fund as provided in the Indenture.

ADDITIONAL BONDS

Pursuant to the Indenture, the Issuer may issue one or more additional series of bonds under the Indenture and Supplemental Indentures (“Additional Bonds”) from time to time solely for the purpose of refunding all or a portion of a Series of Bonds outstanding under the Indenture, and to pay the costs of the issuance of such Bonds and any amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture. Pursuant to the First Supplemental Indenture, in addition to the requirements of the Master Indenture, the following conditions must be satisfied prior to the issuance of a Series of Additional Bonds following the issuance of the 2022 Bonds:

(i) in the case of a Series of Additional Bonds to be issued for the purpose of financing a Project, a certificate of the Assessment Consultant is delivered to the Trustee stating that the annual assessment report previously adopted by resolution of the Council demonstrates that the revenue to be generated from Assessments billed or to be billed to Assessed Property within the District that constitutes Developed Property (as such terms are defined in the Assessment Roll) would be sufficient to pay at least 50 percent of the sum of the Debt Service

Requirements coming due on the 2022 Bonds plus the estimated Administrative Expenses for the District all for the calendar year following such adoption date; and

(ii) in the case of a Series of Additional Bonds to be issued for the purpose of refunding a Series of Bonds that was previously issued, a certificate of an Authorized Officer of the Issuer shall be delivered to the Trustee demonstrating that the sum of the Debt Service Requirements of the refunding Series of Bonds will be less than the sum of the Debt Service Requirements of the Series of Bonds to be refunded with such refunding Series of Bonds.

The Additional Bonds will be secured by a pledge of the Trust Estate on a parity with the 2022 Bonds, meaning the Pledged Revenues are subject to deposit and transfer to various funds and accounts established under the Indenture with respect to any Additional Bonds issued hereafter, consistent with the timing and priority of such deposits and transfers made with respect to the 2022 Bonds as described above under “**—DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**”

INVESTMENTS

Earnings on investments in all of the Funds and Accounts held as security for the 2022 Bonds shall be invested only in Investment Securities.

As long as there exists no default under the Indenture and the amount in the Series 2022 Debt Service Reserve Account is not reduced below the Series 2022 Debt Service Reserve Requirement with respect to the 2022 Bonds, earnings on investments in such Series 2022 Debt Service Reserve Account shall be transferred to the Series 2022 Revenue Account of the Revenue Fund. Otherwise, earnings on investments in any Series 2022 Debt Service Reserve Account shall be retained therein until applied as set forth in the Indenture.

See Appendix H, “**SUBSTANTIALLY FINAL DRAFTS OF THE INDENTURE**” for more information regarding investments and valuation of investments under the Indenture.

CERTAIN COVENANTS OF THE COUNTY

Pursuant to the Indenture, the County has additionally covenanted:

(i) to not issue or incur any obligations payable from the proceeds of Assessments nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments other than the pledge of the Trust Estate under the Indenture; and

(ii) to not make or direct the making of any investment or other use of the proceeds of any 2022 Bonds which would cause the 2022 Bonds to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Code and or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of the 2022 Bonds.

ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES

GENERAL

In accordance with the Act, the County has adopted the Assessment Proceedings to fund the costs of financing the Project through the imposition and collection of the Assessments. As provided in the Act, the Assessments constitute a lien on the real property in the District, superior to all other liens except the

liens for property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for special assessments and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for special assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes. The *ad valorem* tax rate on real property in the District for the fiscal year ending June 30, 2023, is ____ mills.

The County has approved the Consultant to serve as the administrator for the District (the “Administrator”). The Consultant will advise the County in the update of the Assessment Roll and will assist the County with the administration of the District. The Consultant is a public finance consulting firm headquartered in Columbia, Maryland, with an office located in Charleston, South Carolina, with a specialized practice providing services related to the formation and administration of special districts. These services include the preparation of special tax and assessment methodologies, calculation of annual special tax and assessment levies, and continuing disclosure and financial services related to the administration of special tax and assessment districts. The Consultant currently provides administration services to hundreds of special assessment and special tax districts in a number of states, including several in South Carolina and three in the County.

The methodology for setting, imposing and collecting the Assessments is more fully set forth in the Assessment Roll for the District attached hereto as part of Appendix D, which has been prepared by the Consultant and approved by the Council. The Assessment Roll includes the Rate Study, which includes the terms and provisions related to the Assessments. A brief summary of the Rate Study follows.

Within the limits of the Rate Study, the County may adjust the Assessments levied on all property within the District to provide an amount required to pay debt service on the 2022 Bonds and any Additional Bonds (together, the “Bonds”) and to pay all annual Administrative Expenses. However, the amount of the Assessments that may be levied against a particular parcel within the District is subject to the amount of the Assessments provided in the Rate Study approved by the County.

The Assessments were imposed on the real property in the District in an amount equal to the amount necessary to pay debt service on the Bonds and the annual Administrative Expenses of the District and will be collected from the real property in the District. Pledged Revenues include the proceeds, if any, from any foreclosure actions brought following a delinquency in the payment of Assessments by any Landowner.

RATE STUDY

The Assessments have been imposed upon the parcels of real property within the District, excluding a parcel owned by the County, (each, a “Parcel”) in accordance with and as described in the Rate Study, within the Assessment Roll attached hereto as Appendix D. The Assessments will be allocated to a Parcel when the Parcel is classified as Developed Property (as defined herein) but will not be fixed or determinable on Parcels of Undeveloped Property (meaning property which is not Developed Property). “Developed Property” means Parcels of Assessed Property for which a building permit has been issued which allows the construction of a structure intended for occupancy. “Assessed Property” means property within the District that is not Non-Assessed Property; Non-Assessed Property is more specifically defined in the Rate Study but generally means publicly-owned property, property owned by a property owners association and generally available for use by property owners and property owned by a provider of utilities. All Assessed Property is classified as Developed Property or Undeveloped Property as of June 30 of a particular year.

As more fully explained in the Rate Study, Assessments are allocated to Parcels on the basis of the Equivalent Units of each Parcel. For all Parcels, excluding Parcels that are expected to be open space or green space, the Equivalent Unit factor is 1.0 per residential dwelling unit built or expected to be built

on the Parcel. The Equivalent Unit factor is 0.0 per Parcel for all Parcels which are expected to solely be open space or green space.

As more fully explained in the Rate Study, each Assessment Year (as defined in the Rate Study), the Consultant (or its successor as the Administrator) will calculate, and the Council will confirm, the Annual Payment to be collected from each Parcel of Assessed Property in the District, which is calculated to meet the requirements to pay the interest and principal coming due on the Bonds and the Administrative Expenses of the District. As more fully explained in the Rate Study, the cumulative, annual billings to all Parcels of Assessed Property will be sufficient to meet the Annual Revenue Requirement, an amount that is equal to principal and interest due on the Bonds for such year, plus Administrative Expenses of the District, less amounts available from the excess funds in the Reserve Fund.

As more fully explained in the Rate Study, for a Parcel of Developed Property, the Annual Payment is subject to the Maximum Annual Installment per Equivalent Unit of \$1,550.00. For all Parcels of Undeveloped Property, the aggregate Annual Payment will be equal to the difference between the Annual Revenue Requirement and the aggregate Annual Payment billed to Parcels of Developed Property.

As more fully explained in the Rate Study, the Assessment may be prepaid for a Parcel and the Annual Payment will no longer be collected from such Parcel. The prepayment of the Assessment is generally equal to: (i) the Principal Portion of the Assessment allocated to the Parcel, (ii) a credit for any reduction in the Reserve Fund resulting from such prepayment, (iii) adjustments for interest through the call date of Bonds to be called and interest to be earned on the prepaid Assessment, and (iv) Administrative Expenses related to the prepayment. The aggregate Principal Portion of the Assessment for all Parcels is the portion of the Assessments equal to the outstanding principal on the Bonds.

The analysis set forth in Appendix E provides a forecast for the billing of Assessments to the Parcels of Assessed Property.

COLLECTION PROCEDURES

The Assessments are expected to be collected annually as the Annual Payment for a term beginning in 2023 and extending through to the final maturity of the Bonds. The Annual Payment will be billed annually to fund all debt service requirements for the Bonds and estimated Administrative Expenses for a particular year. Assessments will be collected in the same manner and at the same time as regular real property taxes of the County are collected. In the event a Landowner fails to pay any Annual Payment when due, the Annual Payment will be subject to the same penalties, procedures and sale as are provided in the case of delinquencies for regular property taxes of the County.

By South Carolina law, the amount assessed constitutes a lien against the property superior to all other except property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for special assessments and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.

In general, under South Carolina law and procedures, real property taxes and assessments under the Act are billed by the County Treasurer on a single bill. The Treasurer prepares the bills upon receipt of the tax duplicates from the County Auditor. The Auditor prepares the tax duplicates from information from various sources, including information that the Auditor receives from the Consultant on behalf of the County for the Assessments to be imposed in the District. The Auditor prepares tax duplicates indicating the taxes and assessments on each parcel of property and taxable personal property and provides a copy of the duplicates to the Treasurer. The goal is to have the tax duplicates prepared by September 1 of each

year; however, in light of the number of entities which must provide information to the Auditor and the dependency of some of this information on actions by other governmental entities, sometimes the tax duplicates are delayed. Ordinarily, however, tax duplicates are prepared and notices of taxes due are mailed by the Treasurer to each property owner around the first of October of each year and are due and payable until the following January 15.

Taxes and assessments are paid to the County Treasurer. The County Treasurer will not accept partial payment, so that a taxpayer must either pay the entire amount due (including the Assessments) or be delinquent. Taxes and assessments are considered paid currently if paid by the later of January 15 or the 30th day after tax notices are mailed. In the event taxes and assessments are not timely paid, there are penalties as set forth below:

DATE PAYMENT RECEIVED	PENALTY	CUMULATIVE PENALTY
On or before the due date	none	—
After due date but before February 2	3%	3%
February 2 but before March 17	7%	10%
March 17 and thereafter	5%	15%

Penalties are added to the tax duplicate by the Auditor and are to be collected by the Treasurer. If payment is not received before March 17, the County Treasurer is required to issue a tax execution to the County Tax Collector.

DELINQUENCIES; ENFORCEMENT; FORECLOSURE

If the owner of any lot or parcel of land is delinquent in the payment of any tax or assessment, including the Assessments, then the County Treasurer will move, as provided by law, to collect delinquent taxes, assessments, including the Assessments, penalties, and costs for their collection. The County has covenanted in the Indenture to furnish, upon written request of any Owner of 2022 Bonds (or the Trustee at the written direction thereof), as of April 15 of each year, a list of all delinquent Assessments and all foreclosure actions currently in progress and the current status of such delinquent Assessments; provided the requirements hereof may be satisfied by information prepared in the form, covering the period and delivered at the time required by the Issuer's Continuing Disclosure Agreement (as defined herein).

Collection of delinquent Assessments must be accomplished pursuant to the provisions of law which provide for an execution and sale of the property against which the taxes and Assessments are delinquent. Upon receipt of notice from the County Treasurer of any execution, the County Tax Collector is required to proceed on April 1 or as soon thereafter as practicable to mail a notice of delinquent taxes, penalties, assessments, including the Assessments, and costs to the defaulting taxpayer and any grantee of record at the best address available stating that if taxes, penalties, assessments and costs are not paid the property will be advertised and sold to satisfy the delinquency. The County Tax Collector first sends a reminder notice by regular mail on or about April 1. If payment is not made 30 days after the mailing of the reminder notice, then the County Tax Collector sends a second notice by certified mail, return receipt, to the taxpayer and any grantee of record. If taxes remain unpaid six weeks thereafter, the County Tax Collector will take exclusive possession of so much of the current owner of record's property as is necessary to satisfy the payment of the taxes, assessments, including the Assessments, penalties and costs. Possession of real property is taken by mailing a notice of the delinquency to the delinquent taxpayer and any grantee of record by certified mail, return receipt requested-restricted delivery. Such notice shall specify that if the delinquency is not paid before a subsequent sales date, the property will be duly advertised and sold, if the certified mail notice is returned, the notice is effected by posting at one or more conspicuous places on the premises stating that such property has been seized and is to be sold for

delinquent taxes. Notice of the sale of real property is provided by advertisement in a newspaper of general circulation within the County once a week for three consecutive weeks prior to the legal sales date. The regular sales date is the first Monday in each month or the following Tuesday if such Monday is a legal holiday. Set forth below is a schedule of when the Assessments might be collected through the enforcement process, though there is no assurance that this schedule will be adhered to in connection with the enforcement and collection of delinquent Assessments:

NOT EARLIER THAN	ACTION	CONSEQUENCE
March 17	Taxes, assessments and penalties go into execution	Cost of enforcement began to accrue
April 1	Tax Collector mails reminder notice of delinquency	
May 1	Tax Collector mails notice of delinquency by certified mail to initiate sale process	Starts 30 day period after which sale can be made
June 15	Tax Collector takes possession by mailed notice; if notice returned, takes possession by posting notice	Notice of Levy
September	Notice of sale published once a week for three weeks	Condition to sale
First Monday in October	Sale	Payment due at sale; minimum bid entered by the FLC

Several things can happen that might delay the foregoing schedule, but the process should be completed and a sale conducted on the first Monday in October following nonpayment. It is possible, however, that sales relating to delinquencies for properties located in the District would not be held on the same date and such sales may take place on the first Monday of November or December following nonpayment.

If any property is offered for sale for the nonpayment of any Assessments and no person or persons purchase such property for an amount equal to the full amount due on such property, such property is then purchased by the FLC in accordance with the bid of such FLC submitted as provided by law. The statutes governing foreclosure in tax sales provide that the bid to be submitted by the FLC shall be in an amount equal to unpaid property taxes, penalties, assessments and costs. The FLC is not required to bid on property known or reasonably suspected to be contaminated. If the contamination becomes known after the bid or while the FLC holds the title, the title voids at the election of the FLC.

If purchased by the FLC, the FLC may subsequently sell such property with the proceeds of any such sale to be turned over to the County Treasurer and distributed as provided by law. Pursuant to the Indenture, the County is required to direct the County Treasurer to deposit any legally available net proceeds of such sale allocable to Assessments into the Revenue Fund. The County has agreed that it will promptly pursue the measures provided by law for sale of property acquired by it for the benefit of the Bond Owners. See **“BOND OWNERS’ RISKS—POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS.”**

The State statutes governing collection of delinquent taxes provide that a defaulting Landowner, any grantee from such Landowner, or any mortgage or judgment creditor with respect to the real property in question may, within twelve (12) months from the date of the delinquent tax sale, redeem each item of real property by paying to the person officially charged with the collection of delinquent taxes,

assessments, penalties, and costs, together with interest on the whole amount of the delinquent taxes, assessments, penalties and costs at rates set forth in the statutes: provided, however that in every redemption, the amount of interest due must not exceed the amount of the bid on the property submitted on behalf of the FLC as described in the preceding paragraph. If the property is not redeemed, the excess above the amount of taxes, penalties, assessments, charges, and costs for the year in which the property was sold must be applied first to the taxes becoming due during the redemption period.

If any property in the District is purchased by the FLC, under existing law, any Assessment imposed upon the property will continue to apply and accrue upon such property, because neither the FLC nor any other tax-exempt owner of property in the District has been excluded under the Act from the obligation to pay assessments levied thereunder. In 2003, the Supreme Court of South Carolina affirmed the ruling of a Charleston County Circuit Court that the owner of property located in a municipal improvement district, which owner was otherwise exempt from property taxes, was properly subjected to an assessment under the Municipal Improvement Act, S.C. Code Ann. § 5-37-40(h) (the “Municipal Improvement Act”). *German Evangelical Lutheran Church of Charleston, S.C. v. City of Charleston*, 352 S.C. 600; 576 S.E.2d 150; 2003 S.C. Lexis 1 (2003). In that case, the circuit court had previously ruled that the Municipal Improvement Act’s exclusion of certain other tax-exempt property from the improvement district and the assessments imposed under such act showed a legislative intent that the remaining tax-exempt land owners, not explicitly excluded, were to be included in the municipal improvement district and subject to the assessments imposed upon the property owners therein. *Id.* Investors should note that the 2022 Bonds were authorized under the Act and not the Municipal Improvement Act, so no assurances can be given that a court would reach a similar conclusion with respect to the Assessments. In fact, if the FLC should purchase property in the District, investors should look to the proceeds of the sale of such property by the FLC as security and the source of payment for amounts due and should not rely on any purported obligation of the FLC to pay taxes or assessments on such property. See **“BOND OWNERS’ RISKS—POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS.”**

THE DEVELOPMENT AND THE DEVELOPER

The information appearing below under the captions “The Development” and “The Developer” herein have been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the County or its counsel, or the Underwriter or its counsel, and no persons other than the Developer make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by either the Developer as a means for the prospective Bondholders to understand the anticipated development plan and risks associated with the Development. Neither the Developer nor any other party is guaranteeing payment of the 2022 Bonds or the Assessments.

THE DEVELOPMENT

General

The Development, an 1,860-unit residential community known as Roselyn, is anticipated to be developed within an approximately 1,395-acre area located in the northern portion of the County. The Development consists of seven major phases, each expected to have multiple smaller phases, of construction that are projected to include approximately 1,860 residential units on approximately 374 acres for development, approximately 937 acres of common open space, roads and rights-of-way and recreational areas, and an approximately 84-acre county park. The Development is generally located between Highway 521 and Old Hickory Road, slightly south of West North Corner Road. The

Development is accessible via Highway 521 and Old Hickory Road. The District was created by the County Council to provide a means for the funding of the public improvements within the Development, including the Project.

A large attraction in the area, located 3.1 miles from the Development, is the Andrew Jackson State Park. The 350-acre park was established in 1952 to honor the South Carolina born president, Andrew Jackson and combines history, art, and community activities. The Andrew Jackson State Park is one of the State's most popular parks and includes attractions such as walking, biking, and hiking trails, fishing, and boating on an 18-acre lake, camping, an amphitheater, and a museum that honors the birthplace of the 7th President of the United States. In addition, the Edgewater Golf Club is located within 20 minutes of Roselyn that offers an excellent course at reasonable rates. It was voted one of the toughest courses in the area by the Charlotte Business Journal. These surrounding amenities, along with the charm of belonging in a small town contribute to the popularity of the Lancaster submarket. The Development is conveniently located 25 minutes from Interstate 485, the outer beltway around Charlotte, providing direct routes to Charlotte-Douglas International Airport and uptown Charlotte. The community is also located directly south on Highway 521 from the affluent Ballantyne area of Charlotte that provides a variety of shopping venues and extensive restaurant choices.

The portion of the County where the Development is located is experiencing significant growth over the past decade. The 521-corridor in the Lancaster and Indian Land area has also seen an increase in commercial development projects. Most recently and notably is the large strip mall within 11 miles of Roselyn, located across from the residential community known as The Retreat at Rayfield, with 300,000 square feet of retail space, including national brands such as Starbucks, TJ Maxx, Burlington Coat Factory, Ulta, and Panera Bread. The community is also centrally located near several medical and healthcare facilities, including facilities proximate to Sun City Carolina Lakes seven miles to the north and a Medical University of South Carolina (MUSC) Hospital located in the town of Lancaster three miles south of the Development.

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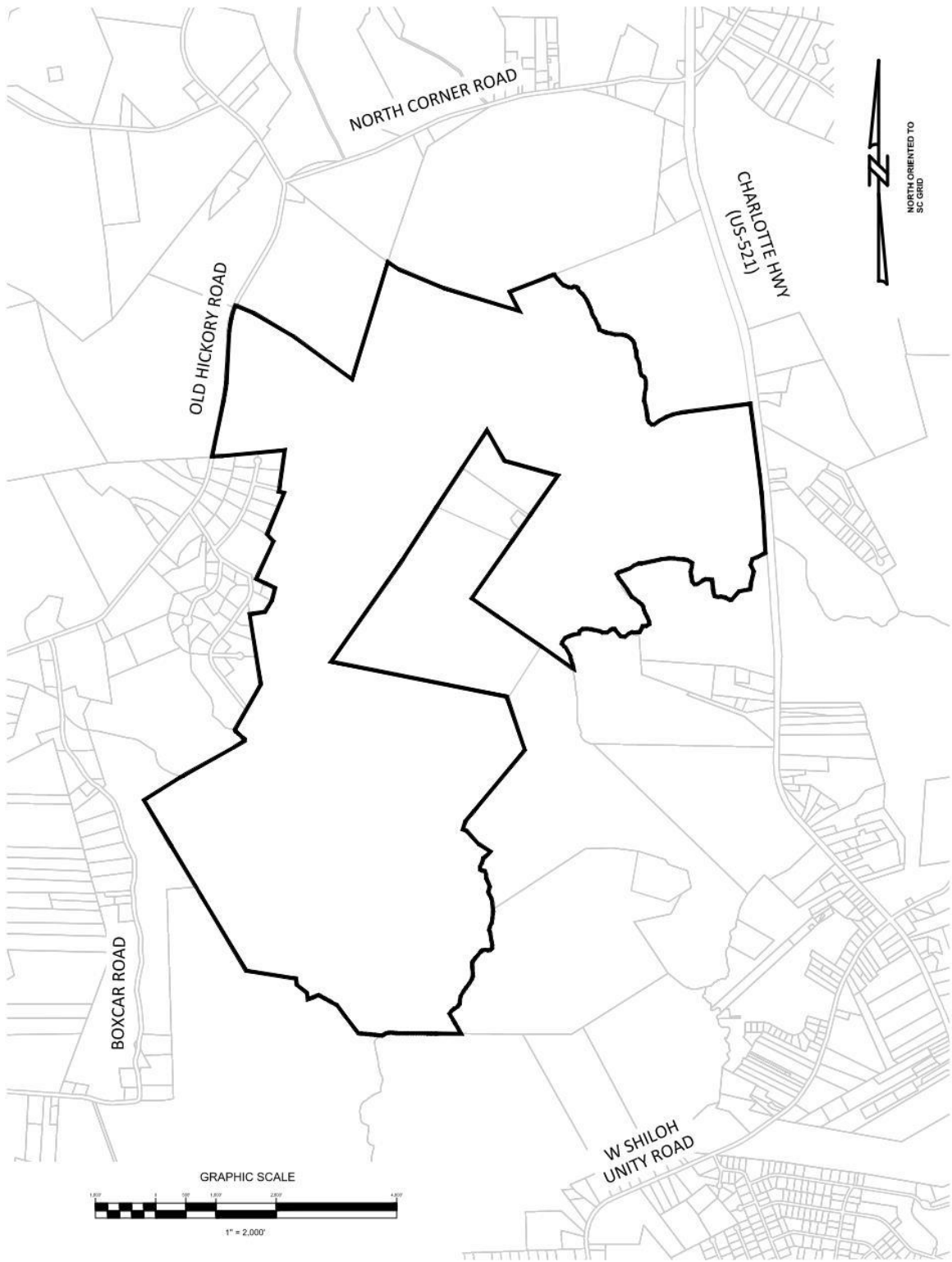
The map below shows the approximate location of the Development. This map is not to scale and is provided to give prospective investors an approximation of the location of the Development relative to the nearby Charlotte, NC area.



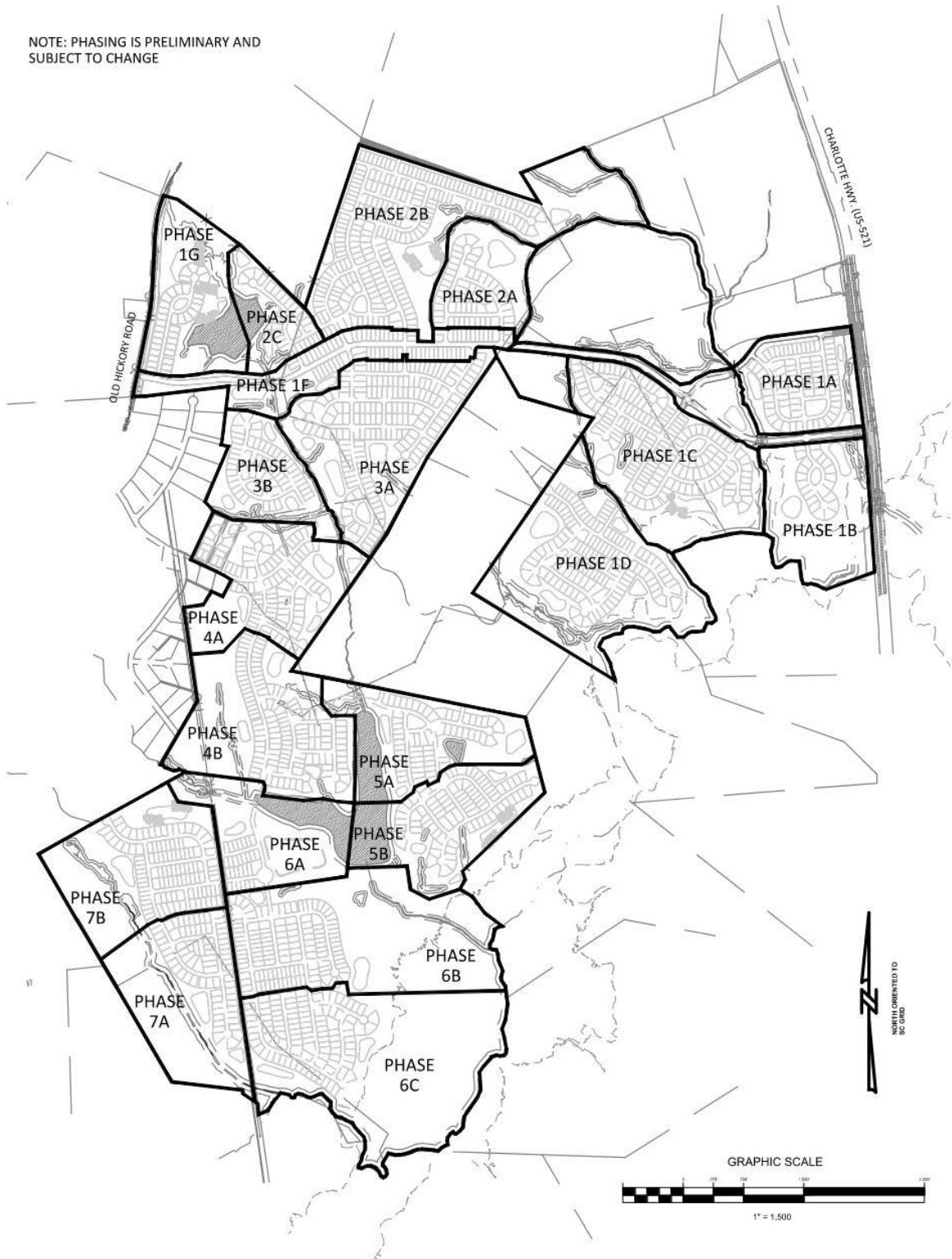
ROSELYN

LANCASTER, SC

The following map shows the boundaries of the District, which are generally coterminous with the boundaries of the Development. See also Appendix B, “**MAP OF DISTRICT.**”



The following rendering shows the seven major development phases of the Development, with particular emphasis on Phases 1 and 2 and the sub-phases of development therein. See also Appendix A, “MAP OF DEVELOPMENT.”



Lennar Carolinas, LLC, a Delaware limited liability company (the “Developer”), is the land developer and homebuilder for the Development. See “**-THE DEVELOPER**” herein for more information. The proposed plan for the Development envisions 1,860 single-family, detached homes, and the Assessments are anticipated to be allocated among these units as they are developed. See “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES**” above for more information. The mixture of housing types within the Development is expected to include 620 single-family homes on 55-foot-wide lots, 620 single-family homes on 65-foot-wide lots, and 620 single-family homes on 75-foot-wide lots. Single-family homes are expected to range in size from 1,389 square feet to 3,519 square feet, with home prices ranging from \$385,000 to \$615,000. Land development within the Development commenced in March 2020 and is expected to occur in phases, with final completion expected by December 2032. The target market for the Development is age-restricted active-adult.

As described in more detail below, the Developer has begun and intends to complete the development of Phases 1 and 2 of the Development first. The portion of the Project serving Phases 1 and 2 of the Development is described in this Limited Offering Memorandum as the Series 2022 Project, and the proceeds of the 2022 Bonds are intended to be used to pay a portion of the Costs of the Series 2022 Project. See “**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**” and “**THE SERIES 2022 PROJECT AND THE PROJECT**” herein.

Although the Assessments secure the payment of debt service on all Series of Bonds issued under the Indenture and budgeted Administrative Expenses, the debt service on the 2022 Bonds, along with the budgeted Administrative Expenses of the District, are expected to be supported by Assessments allocated among the 804 units to be developed within Phases 1 and 2 of the Development. Phases 1 and 2 are expected to be fully developed by December 2025.

Land Acquisition and Development Finance Plan

The Developer acquired the lands within the Development on December 10, 2019, for approximately \$25 million. There are currently no mortgages on the lands within the Development.

The total land development costs associated with Phases 1 and 2 of the Development, including land development and sitework costs, costs of the infrastructure comprising the Series 2022 Project, are expected to be approximately \$123,957,338. As of the date hereof, the Developer has spent approximately \$30,720,275 toward land development activity associated with the Development and construction and installation of a portion of the infrastructure comprising the Series 2022 Project. The net proceeds of the 2022 Bonds deposited into the Series 2022 Acquisition and Construction Account will be [\$_____] to fund a portion of the Series 2022 Project, and any additional moneys needed to complete the Series 2022 Project or other portions of the Development will be paid for by the Developer. See “**BOND OWNERS’ RISKS – FAILURE TO DEVELOP PROPERTIES**” herein.

Development Plan, Status, Absorption and Estimated Assessment Collections

Land development for the Development commenced in March 2020 and is expected to occur in phases, with final completion expected by December 2032. Set forth below is a summary of the status of Phases 1 and 2.

Phase 1 of the Development is planned for 488 units, consisting of 191 single-family homes on 55-foot-wide lots, 116 single-family homes on 65-foot-wide lots, and 181 single-family lots on 75-foot-

* Preliminary, subject to change.

wide lots. See “*-Residential Product Offerings*” herein. Land development associated with Phase 1 of the Development commenced in March 2020 and is expected to be complete by December 2024.

Phase 2 of the Development is planned for 316 lots, consisting of 115 single-family lots on 55-foot-wide lots, 143 single-family lots on 65-foot-wide lots, and 58 single-family lots on 75-foot-wide lots. See “*-Residential Product Offerings*” herein. Land development associated with Phase 2 of the Development is expected to commence in August 2023 and is expected to be complete by December 2025.

As of the date hereof, the Developer expects to commence construction on residential units within Phases 1 and 2 of the Development in November 2023. The Developer anticipates that closings on residential units within Phases 1 and 2 of the Development will commence in April 2024. It is expected that approximately 128 homes will be delivered to end users in 2024 and that approximately 192 homes will be delivered to end users per annum commencing in 2025. At this expected rate of absorption, all of the 804 units to be developed in Phases 1 and 2 are expected to be delivered to end users by the end of 2028. This anticipated absorption is based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties, and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rate will occur or be realized in the time frame anticipated.

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The following table represents estimated Assessment revenues to be billed on the basis of the above-absorption schedule. For further information, See Appendix E, "Assessment Billing Forecast Report" herein.

Assessment Billing Forecast

Building Permit Status Determination <u>Date</u> ¹	Assessment Fee <u>Due Date</u>	<u>Estimated Units</u> ²		Maximum Annual Installment per <u>Equivalent Unit</u> ³	Estimated Annual Assessment Revenue from Parcels with <u>Building Permits</u> ⁴
		<u>Annual</u>	<u>Cumulative</u>		
30-Jun-22	15-Jan-23	0	0	\$1,550	0
30-Jun-23	15-Jan-24	0	0	1,550	0
30-Jun-24	15-Jan-25	128	128	1,550	\$ 198,400
30-Jun-25	15-Jan-26	192	320	1,550	496,000
30-Jun-26	15-Jan-27	192	512	1,550	793,600
30-Jun-27	15-Jan-28	192	704	1,550	1,091,200
30-Jun-28	15-Jan-29	192	896	1,550	1,388,800
30-Jun-29	15-Jan-30	192	1,088	1,550	1,686,400
30-Jun-30	15-Jan-31	192	1,280	1,550	1,984,000
30-Jun-31	15-Jan-32	192	1,472	1,550	2,281,600
30-Jun-32	15-Jan-33	192	1,664	1,550	2,579,200
30-Jun-33	15-Jan-34	196	1,860	1,550	2,883,000
30-Jun-34	15-Jan-35	0	1,860	1,550	2,883,000
30-Jun-35	15-Jan-36	0	1,860	1,550	2,883,000
30-Jun-36	15-Jan-37	0	1,860	1,550	2,883,000
30-Jun-37	15-Jan-38	0	1,860	1,550	2,883,000
30-Jun-38	15-Jan-39	0	1,860	1,550	2,883,000
30-Jun-39	15-Jan-40	0	1,860	1,550	2,883,000
30-Jun-40	15-Jan-41	0	1,860	1,550	2,883,000
30-Jun-41	15-Jan-42	0	1,860	1,550	2,883,000
30-Jun-42	15-Jan-43	0	1,860	1,550	2,883,000
30-Jun-43	15-Jan-44	0	1,860	1,550	2,883,000
30-Jun-44	15-Jan-45	0	1,860	1,550	2,883,000
30-Jun-45	15-Jan-46	0	1,860	1,550	2,883,000
30-Jun-46	15-Jan-47	0	1,860	1,550	2,883,000
30-Jun-47	15-Jan-48	0	1,860	1,550	2,883,000
30-Jun-48	15-Jan-49	0	1,860	1,550	2,883,000
30-Jun-49	15-Jan-50	0	1,860	1,550	2,883,000
30-Jun-50	15-Jan-51	0	1,860	1,550	2,883,000
30-Jun-51	15-Jan-52	0	1,860	1,550	2,883,000
30-Jun-52	15-Jan-53	0	1,860	1,550	2,883,000
30-Jun-53	15-Jan-54	0	1,860	1,550	2,883,000
Total		1,860			\$73,042,200

1 - Pursuant to the Rate Study, a parcel's status for assessment billing purposes will be based on the existence of a building permit for the parcel and will be made as of the "Date of Classification" (as defined in the Rate Study as June 30th of each year).

2 - The estimated annual unit counts are provided by the Developer on August 25, 2022.

3 - The figure of \$1,550 represents the Maximum Annual Installment per Equivalent Unit, as specified in the Rate Study. The Rate Study provides details of the calculation of the annual payment

rate for parcels that have a building permit.

4 - The estimated annual assessment revenue from parcels with building permits shown here assumes that the sum of debt service on the Bonds and estimated Administrative Expenses of the District are equal to or greater than the annual assessment revenue in each year. The Rate Study provides further details of the calculation of the annual assessment revenue.

Residential Product Offerings

The target customers for units within the Development are age-restricted active adult buyers. Below is a summary of information relating to the expected product types of units and starting price ranges for units in the Development and expected units within Phases 1 and 2 therein.

<u>Product Series</u>	<u>Approx. Square Footage</u>	<u>Beds/Baths</u>	<u>Price Range</u>	<u>No. of Units (Phases 1/2)</u>	<u>No. of Units (Total)</u>
Ford & Orchard	1,389 to 1,834	2 to 3 Beds, 2 to 2.5 Baths	\$385,000-\$475,000	268	620
Meadows	1,795 to 2,777	2 to 4 Beds, 2 to 3 Baths	\$415,000-\$490,000	268	620
Summit	2,043 to 3,519	2 to 4 Beds, 2 to 3.5 Baths	\$540,000-\$615,000	268	620

Development Approvals

The land within the Development, including, without limitation, the land therein subject to the Assessments, is zoned to allow for the contemplated residential uses described herein. All permits have been received by jurisdictional agencies to allow for the development contemplated herein or are reasonably expected to be received in the ordinary course.

Environmental

A Phase I Environmental Site Assessment was prepared by Spangler Environmental, Inc, dated August 14th, 2018 (the “ESA”), covering the land in the Development. The ESA revealed no Recognized Environmental Conditions in connection with the Development. See “**BOND OWNERS’ RISK – IMPACT OF ENVIRONMENTAL CONDITIONS ON VALUE**” herein for more information regarding potential environmental risks.

Amenities

The Development is planned to contain an approximately 2.5-acre community site with an approximately 4,000 square foot minimum clubhouse (4,000 square feet minimum under air conditioning) a resort-style swimming pool, fitness center, tot lot, various recreation fields and courts, walking trails, sidewalks, street lamps, and various picket parks with seating (collectively, the “Amenities”). Construction of the Amenities is expected to commence in January 2026 and is expected to be completed by May 2027. The estimated cost of the Amenity is approximately \$4.5 million.

Utilities

Potable water, wastewater treatment and reclaimed wastewater (reuse services) for the Development are expected to be provided by Lancaster County Water and Sewer District. Electric power is expected to be provided by Duke Energy. Cable television and broadband cable services are expected to be provided by Comporium and Spectrum. As part of the Series 2022 Project, the Developer is constructing a utility extension and pump stations from Hwy 521 to existing Lancaster County Water and Sewer District Treatment Plant located on Highway 9 at a cost of approximately \$18,589,811 and a 24” water main extension from Highway 521 to Old Hickory Road at a cost of approximately \$3,528,194.

Taxes, Fees, and Assessments

As set forth in the Assessment Roll, the 2022 Bonds will be secured by the Assessments which will be assigned to individual parcels at the time such parcel receives a building permit, measured on June 30 of each year. The Assessments are anticipated to be assigned to all 1,860 units planned for the Development. Assuming that all of the planned residential units are developed, then the Assessments will be allocated on a per unit basis below and as set forth in the Assessment Roll. See “**THE DEVELOPMENT AND THE DEVELOPER – THE DEVELOPMENT – Development Plan, Status and Absorption**” and Appendix D, “**ASSESSMENT ROLL, INCLUDING RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS**” herein.

The County will annually bill Assessments on Parcels of (1) Developed Property (e.g., residential units for which a building permit has been obtained prior to June 30 of an Assessment Year) in the Development of approximately \$1,550 per residential unit annually, which amount is subject to change, and (2) Undeveloped Property in an amount which, together with the annually Assessments billed to Parcels of Developed Property, will be sufficient to pay the debt service on the Bonds and budgeted Administrative Expenses of the District. In addition, residents within the Development will be required to pay homeowners association fees, inclusive of amenity usage, which are currently estimated to be approximately \$240 per month. The land within the District has been and is expected to be subject to taxes and assessments imposed by the County and the School District of Lancaster County (the “School District”). The total millage rate imposed on taxable properties in the District for the fiscal year ended June 30, 2022, was 339.3 mills, which millage rate is subject to change in future tax years. The County has recently created a special taxing district to provide fire service within the District, which will be funded from additional millage levied within the District of [___] mills which equates to a maximum of \$_____ per year per residence. These property taxes are payable in addition to the Assessments and any other assessments levied by the District. Additional millage may be levied in the future in connection with general obligation bonds of the County or the School District, as to which no limit applies. It is possible that in future years, taxes and assessments levied by the County and the School District could be substantially higher than in the current year.

Education

The Development is expected to be age-restricted, and therefore, it is not expected that a substantial number of school-age children will reside within the Development. Any students in the area of the Development are expected to attend the following schools:

- Van Wyck Elementary School, which was rated “54 (Good)” by the South Carolina Department of Education for 2022;
- Indian Land Middle School, which was rated “53 (Good)” by the South Carolina Department of Education for 2022;
- Indian Land High School, which was rated “70 (Excellent)” by the South Carolina Department of Education for 2022.

There are also several private and charter school alternatives in the vicinity of the Development.

Competition

The Developer has identified the following communities as being competitive with the Development because of their proximity to the Development, price ranges and product types: Tree Tops, Carolina Reserve, Sun City Carolina Lakes, Walnut Creek, and Carolina Orchards. However, the active-adult portions of all of these communities are fully built out and homes are available by resale only.

This heading does not purport to list all the existing or planned communities in the area of the Development, but rather provide a list of those that the Developer feels pose primary competition to the Development.

THE DEVELOPER

Lennar Carolinas, LLC, a Delaware limited liability company, is an indirectly wholly owned subsidiary of Lennar Corporation (“Lennar”). Lennar, founded in 1954, has homebuilding operations in fifteen states and is one of the nation’s leading builders of quality homes for all generations, building affordable, first-time, move-up and retirement homes. Lennar stock trades on the New York Stock Exchange under the symbol LEN. Lennar is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the “SEC”). Such filings, particularly Lennar’s annual and quarterly reports filed on Form 10-K and Form 10-Q, set forth certain data relative to the consolidated results of operations and financial position of Lennar and their subsidiaries as of such date. The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Lennar. The address of such Internet web site is www.sec.gov (which is not intended to be an electronic hyperlink, not is any information therein incorporated herein by reference).

All documents subsequently filed by Lennar pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes. Lennar is not guaranteeing any of the Developer’s obligations incurred in connection with the issuance of the 2022 Bonds.

NEITHER THE DEVELOPER NOR LENNAR ARE GUARANTEEING THE PAYMENT OF THE 2022 BONDS OR THE ASSESSMENTS (OTHER THAN THE DEVELOPER’S OBLIGATION TO PAY ASSESSMENTS AS AN OWNER OF PARCELS OF LAND WITHIN THE DISTRICT). NONE OF THE ENTITIES LISTED HEREIN, OTHER THAN THE DEVELOPER, HAVE ENTERED INTO ANY AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE 2022 BONDS.

BOND OWNERS’ RISKS

RISK FACTORS

The following is a discussion of certain risks which should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2022 Bonds. This discussion does not purport to be comprehensive or definitive; rather, it is meant to draw attention to some, though not necessarily all of the risks that may be peculiar to obligations such as the 2022 Bonds. Each potential investor is expected and encouraged to make its own independent evaluation of the merits of acquiring and holding the 2022 Bonds. The occurrence of any of the events discussed herein could adversely affect the ability or willingness of any Landowner to pay the Assessments when due. Any failure to pay Assessments could result in the inability to make full and punctual payments of debt service on the 2022 Bonds and a default under the Indenture. In addition, the occurrence of any of the events discussed herein could adversely affect the value of the property in the District, which could, in turn, adversely affect the ability of the County to realize proceeds in a foreclosure action against the property to recover delinquent Assessments.

LIMITATIONS AND COLLECTABILITY OF ASSETS

The business plan for the Development assumes that portions of the actual payment of the Assessments will be made by individuals or entities buying benefited parcels in the Development. While all of the residential lots located in the District are intended to be owned by individuals, market conditions such as competition with other competitive developments or adverse changes in general economic

conditions may limit the ability of third-party builders or developers (including the Developer) to pass some or all of the Assessments to and any subsequent owners of real property in the District (the “Subsequent Landowners” and, together with the Developer, “Landowners”). The legal obligation to pay the Assessments rests with the Landowners. No assurance can be made that the construction and development of the Development will be completed. See “—**FAILURE TO DEVELOP PROPERTIES**” below. As a result, no assurance can be given that such third-party builders or developers (including the Developer), will continue to pay the Assessments in the future or that they will be able to pay such Assessments on a timely basis. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant Landowner of benefited property, delays could occur in the payment of debt service on the 2022 Bonds as such bankruptcy could negatively impact the ability of the Developer and any other Landowner to pay the Assessments. In addition, the remedies available to the Owners of the 2022 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the 2022 Bonds, including, without limitation, enforcement of the obligation to pay Assessments and the ability of the County to foreclose the lien of such Assessments may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2022 Bonds (including Bond Counsel’s approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting 2022 Bonds could have a material adverse impact on the interest of the owners of the 2022 Bonds.

DEVELOPMENT RISKS

The progress of the Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. In addition, the growth of the Development is subject to comprehensive federal, state, and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of required improvements, both public and private, and construction of the buildings intended for the Development must be in accordance with applicable zoning, land use and environmental regulations. Failure to obtain any such approvals in a timely manner could delay or adversely affect the progress of the Development, which may negatively impact the Developer’s desire or ability to continue such development. No assurance can be given that unknown hazardous materials, protected animals, etc. do not currently exist or may develop in the future whether originating within the Development or from surrounding property, and what effect such may have on the Development. See also, “—**FAILURE TO DEVELOP PROPERTIES**” below.

IMPACT OF ENVIRONMENTAL CONDITIONS ON VALUE

The value of the land within the District, the success and development of the Development, and the likelihood of timely payment of principal and interest on the 2022 Bonds could be affected by various factors, including factors related to environmental conditions. While environmental assessments of the land within the District have been performed in connection with the Development, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in the District.

The value of the lands subject to the Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District lands unable to support future development. The occurrence of any such events could materially adversely impact the timely payment of principal and interest on the 2022 Bonds. The 2022 Bonds are not insured, and the County's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

LIMITED RECOURSE

The Developer's obligation to pay the Assessments is limited solely to the obligation that any Landowner has to pay Assessments against its land, the Developer is not a guarantor of payment by any other Landowner of the Assessments applicable to it, and the recourse for the Developer's failure to pay Assessments is limited solely to its ownership interest in the assessed land. Assessments against land within the District that is not owned by the Developer are also not guaranteed by the owner of such land, and the recourse for the failure of any such Landowner to pay an Assessment is limited to such Landowner's ownership interest in the assessed land.

TIMELY PAYMENT OF ASSESSMENTS

The timely payment of the 2022 Bonds depends on the willingness and ability of the Landowners to pay Assessments when due. Failure of Landowners to pay Assessments when due could result in the rapid, total depletion of the Series 2022 Debt Service Reserve Account established for the 2022 Bonds and a default in payments of the principal of and interest on the 2022 Bonds.

VALUE OF REAL PROPERTY

Prospective purchasers of the 2022 Bonds should not assume that the real property within the District could be sold for an amount sufficient to fund delinquent Assessments.

MARKET AND COMPETITION

In general, the regional residential market and the retail, commercial and office markets are highly competitive and are affected by competitive changes in geographic area, changes in the public's spending habits, population trends, traffic patterns, economic conditions and business climate. Other competitive factors include location and attractiveness of facilities, proximity to certain types of businesses and supporting services. The ability of the Development to compete in this competitive market is dependent upon the foregoing and a variety of other factors about which no assurance can be given. See "**THE DEVELOPMENT—MARKET AND COMPETITION**" herein.

ASSESSMENT DELINQUENCIES

Timely payment of debt service on the 2022 Bonds is dependent upon timely receipt of the Assessments. Under provisions of the Act, the Assessments, from which funds necessary for the payment of principal of and interest on the 2022 Bonds are derived, are contained within a single bill from the County Auditor, which also includes the *ad valorem* taxes then due on the related Parcel within the District. Such Assessments are due and payable and bear the same penalties and interest for non-payment as do regular *ad valorem* property tax installments. The unwillingness or inability of Landowners to pay any portion of the amounts due with respect to taxes and assessments that relate to a parcel within the District could result in a foreclosure action being taken by the County.

In the event that sales or foreclosures of property are necessary, and if the Series 2022 Debt Service Reserve Account is depleted, there could be a delay in payments to owners of the 2022 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the County of the proceeds of sale.

See “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE**” for a discussion of the provisions which apply, and procedures which the County is obligated to follow in the event of delinquencies in the payment of Assessments. See “**—POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS**” and “**—BANKRUPTCY**” below, for a discussion of limitations on the County’s ability to foreclose on the lien of the Assessments in certain circumstances.

POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS

In the event that any installment of Assessments or the payment of County real estate taxes is delinquent on March 17 of the year in which Assessments and County real estate taxes shall have become due, the County is authorized to initiate enforced collection procedures against the owner of record of the property. These procedures culminate in a sale, which should take place on the first Monday in October of the year in which such sums are due. The process of enforced collection and sale may be subject to delays for various reasons and potential investors should be aware that many of the reasons for delay are beyond the control of the County. See “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE.**”

Delays and uncertainties in the enforced collection process create significant risks for owners of the 2022 Bonds. High rates of delinquency of Assessments or real estate tax payments that continue during the pendency of such proceedings could result in the rapid, total depletion of the Series 2022 Debt Service Reserve Account. In that event, there could be a default in payments of the principal of, and interest on, the 2022 Bonds.

The payment of the Assessments and the ability of the County to effect a sale to force collection of delinquent unpaid Assessments pursuant to its covenant to enforce collection may also be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. See “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—COLLECTION PROCEDURES**” and “**BOND OWNERS’ RISKS—LIMITATIONS ON COLLECTABILITY OF ASSETS**” and “**—BANKRUPTCY.**”

The ability of the County to effect a sale with respect to the lien of a delinquent unpaid Assessments also may be limited with regard to properties in which the FLC may acquire an interest. The FLC currently does not have an interest in the land within the District. However, if a lender takes a security interest in the subject property and becomes insolvent, such a lender could fall under the jurisdiction of the FLC, in which case FLC policies regarding the payment of state and local property

taxes, including real estate taxes and assessments, may apply and such policies may include a requirement that the County obtain the consent of the FLC prior to foreclosing on the lien of special taxes, which may affect the ability of the County to complete such a sale in a timely fashion.

No assurances can be given that the real property subject to sale will be sold; or that property acquired by the FLC in connection with a sale will be resold; or, if sold or resold, that the proceeds of such a sale will be sufficient to pay any delinquent Assessments. As provided in the Act, assessments (such as the Assessments) constitute a lien on real property superior to all other liens except the liens for property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for assessments (such as the Assessments) and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for assessments (such as the Assessments) is either at the same level of priority as, or is subordinate only to, the liens for property taxes. If the Series 2022 Debt Service Reserve Account is depleted and delinquencies in the payment of Assessments exist, there could be a default or delay in payments of debt service on the 2022 Bonds pending prosecution of foreclosure proceedings and receipt by the County of foreclosure sale proceeds, if any. There can therefore be no assurance that the Assessments will at all times be sufficient to pay debt service on the 2022 Bonds.

BANKRUPTCY

Although a bankruptcy proceeding would not cause the Assessments to become extinguished, the amount and priority of any Assessment could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of the Landowners could result in a delay in foreclosure proceedings. Such delay could increase the likelihood of a delay or default in the payment of debt service on the 2022 Bonds.

EXEMPT PROPERTIES

The Rate Study assumes that Assessments shall not be levied on Non-Assessed Property (as defined in the Rate Study). If for any reason any parcel of the property subject to Assessments becomes exempt from taxation by reason of transfer to or ownership by a non-taxable entity such as the federal, state or local government or another public agency, subject to *ad valorem* taxes and Assessments being paid current at the time of the transfer, the Rate Study does not reallocate Assessments to the remaining taxable parcels within the District. If the transfer occurs by reason of condemnation proceedings, the laws of the State require the application of condemnation proceeds, if any, to the payment of *ad valorem* taxes and assessments related to such property. The amount received as a result of such proceeding may not be sufficient to pay the Assessment upon such parcel. In the case of the public dedication, gift or transfer without consideration of a parcel, there may be no mechanism for collecting the Assessment on such parcel once it becomes Non-Assessed Property. The Rate Study provides that when a parcel is subdivided into additional parcels, and a subdivided parcel becomes Non-Assessed Property, the Assessment with respect to that parcel may be collected from the other subdivided parcels which remain taxable property. The Rate Study also provides that prepayment of the Assessment is required when a taxable parcel is acquired by an entity which results in such parcel being reclassified as Non-Assessed Property.

If a substantial portion of land within the District became exempt from Assessments because of public ownership or otherwise, the amount of the Assessments which could be levied upon the remaining property might not be sufficient to pay principal of and interest on the 2022 Bonds when due.

INSUFFICIENCY OF ASSESSMENTS

Within the limits of the Rate Study, the County may adjust the Assessments levied on all property within the District to provide an amount required to pay debt service on the Bonds and to pay all annual Administrative Expenses. However, the amount of the Assessments that may be levied against a particular parcel within the District is subject to the amount of the Assessments provided in the Rate Study

approved by the County. There is no assurance that the amount of the Assessments will at all times be sufficient to pay the amounts required to be paid by the Indenture. For example, delays in collection or foreclosure of Assessments (including Assessments billed to the Developer as a landowner) could result in insufficient funds being available to pay timely debt service on the 2022 Bonds after depletion of the Series 2022 Debt Service Reserve Account. There is no provision in the Act, the Bond Ordinance or the District Ordinance for the levy of Assessments to replenish the Series 2022 Debt Service Reserve Account in the event of delays in collection or foreclosure.

See “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE**” above and the subsection “**POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS**” above under this heading.

DISCLOSURE TO FUTURE PROPERTY PURCHASERS

There is no provision in the Act that requires a notice to future purchasers other than the record notice provided in connection with the establishment of the District. There can be no guarantee that title companies will refer to such notices in title reports or that a prospective purchaser or lender will consider, or receive notice, of such Assessment obligation in the purchase of a parcel within the District or the lending of money thereon. Any failure on the part of a prospective lender or purchaser to determine the existence of the Assessments may affect the willingness and ability of such future owner to pay the Assessments when due.

NO ACCELERATION PROVISION

The Indenture contains no provision for the acceleration of the 2022 Bonds in the event of a payment default or other default under the terms of the 2022 Bonds or the Indenture. The ultimate source of recovery in the event of a default of payment of Assessments is the foreclosure provision described under “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE.**”

ILLIQUIDITY OF 2022 BONDS AND LIMITED SECONDARY MARKET

The 2022 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the 2022 Bonds in the event an owner of 2022 Bonds determines to solicit purchasers of the 2022 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the 2022 Bonds may be sold. Such price may be lower than that paid by the then 2015 Bondholder, depending on the progress of the development of the Development, existing market conditions and other factors. Although the County and the Developer have committed to provide certain financial and operating information as set forth in Appendix G hereto, there can be no assurance that such information will be available to owners of the 2022 Bonds on a timely basis. See “**CONTINUING DISCLOSURE**” herein. The failure to provide the required financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

LOSS OF TAX EXEMPTION

As discussed under the caption “**TAX TREATMENT,**” the interest on the 2022 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of delivery of the 2022 Bonds as a result of a failure of the County to comply with certain provisions of the Code. Should such event of taxability occur, the 2022 Bonds are not subject to early redemption and will remain

outstanding to maturity or until redeemed under the optional redemption, extraordinary redemption or mandatory sinking fund redemption provisions (as applicable) of the Indenture.

OTHER ASSESSMENTS AND TAXES

The willingness and/or ability of a Landowner to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the County or any other local special purpose or general purpose governmental entities. Public entities whose boundaries overlap those of the District, including the Lancaster County Water and Sewer District, could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District.

[By enactment of Ordinance No. _____, the Council established the _____ Fire Protection District (“Fire District”). The Fire District includes the property within the Development. The purpose of the Fire District is to provide a funding mechanism through the imposition of a uniform service charge for the provision of fire protection at a level over and above the level provided outside of the Fire District. The annual uniform service charge was set initially at _____ dollars (\$____) per equivalent residential unit (“ERU”) and is presently set at _____ dollars (\$____) per ERU. The exact ERU amount is set annually by the Council. One dwelling unit equals one ERU and for structures other than dwellings, one ERU is equal to each 2500 square feet or fraction thereof. The uniform service charge is not imposed on undeveloped property. Imposition and collection of the uniform service charge begins only when a certificate of occupancy is issued with respect to a particular parcel of property.]

LEGISLATIVE INITIATIVES

The South Carolina General Assembly may, from time to time, consider bills and proposed constitutional amendments that could affect local *ad valorem* property taxes and could reduce significantly the amount of *ad valorem* taxes that may be payable for property in the Development. No such proposals are currently pending and it is impossible to predict whether any of these proposals are forthcoming, what form they will take and when they might become effective.

FAILURE TO DEVELOP PROPERTIES

The County and the Developer will enter into the Series 2022 Project Agreement when the 2022 Bonds are issued, pursuant to which the Developer will agree to complete the Series 2022 Project and transfer components thereof to the County or other public entities, in exchange for a portion of the proceeds of the 2022 Bonds deposited to the Series 2022 Acquisition and Construction Account. The Series 2022 Project Agreement will provide, among other things, that the Developer will not be relieved of its obligation to construct and complete the Series 2022 Project even if there are insufficient funds in the Series 2022 Acquisition and Construction Account to pay the actual costs thereof. Further, the Developer will agree to pay any and all costs of acquiring, constructing, and installing the Series 2022 Project in excess of the available proceeds of the 2022 Bonds therefor (or in lieu thereof will acquire and construct the components of the Series 2022 Project not acquired and constructed by the County with such proceeds and convey such completed improvements to, or upon the order of, the County).

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Bond Owners should it be necessary to institute proceedings due to the nonpayment of Assessments. Failure to complete development or substantial delays in the completion of the development of the Development due to litigation or other causes may reduce the value of the Development and increase the length of time during which Assessments will be payable from undeveloped property, and may affect the willingness and ability of the owners of such property to pay the Assessments when due.

There can be no assurance that development operations with respect to the Development will not be adversely affected by a future deterioration of the real estate market and economic conditions or future local, state and federal governmental policies relating to real estate development, the income tax treatment

of real property ownership, or the national economy. A slowdown of the development process and the absorption rate could adversely affect the ability or desire of the property owners to pay the Assessments. Similarly, the failure by the Developer to close on the construction and sale of homes in the Development could reduce the ability or desire of the Developer to pay the Assessments. In either such event, there could be a default in the payment of principal of and interest on the 2022 Bonds when due.

ADDITIONAL RISKS

This section does not purport to summarize all risks that may be associated with purchasing or owning the 2022 Bonds and prospective purchasers are advised to read this Preliminary Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the 2022 Bonds.

TAX TREATMENT

FEDERAL TAX TREATMENT

In the opinion of Burr & Forman LLP, Columbia, South Carolina, as Bond Counsel, to be delivered on the date of issuance of the 2022 Bonds, assuming continuing compliance by the County with certain covenants and the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and the applicable regulations promulgated thereunder (the “Regulations”), interest on the 2022 Bonds is excludable from gross income of the registered owners thereof for federal income tax purposes under existing statutes, regulations, and judicial decisions. Interest on the 2022 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. The Inflation Reduction Act, H.R. 5376, recently enacted into law, includes an alternative minimum tax to be imposed on the “adjusted financial statement income” of “applicable corporations,” as each is defined therein, for tax years beginning after December 31, 2022. The interest on the 2022 Bonds may be included in the adjusted financial statement income of such applicable corporations for purposes of computing such alternative minimum tax. Bond Counsel has expressed no opinion regarding other federal tax law consequences arising with respect to the 2022 Bonds.

The Code and the Regulations promulgated thereunder, imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations, such as the 2022 Bonds. The County has covenanted to comply with certain covenants, restrictions, conditions and requirements designed to ensure that interest on the 2022 Bonds will not become includable in gross income. Failure to comply with these covenants could cause interest on the 2022 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2022 Bonds. The opinion of Bond Counsel assumes the accuracy of certain representations of the County with respect to the investment and use of proceeds of the 2022 Bonds and compliance by the County with certain covenants.

Although Bond Counsel is of the opinion that interest on the 2022 Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2022 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the 2022 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property and casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit or the refundable credit for coverage under a qualified health plan, taxpayers subject to the application of backup withholding and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the 2022 Bonds.

[ORIGINAL ISSUE DISCOUNT]

Certain of the 2022 Bonds may be sold at initial public offering prices which are less than the principal amounts payable at maturity (“Discount Bonds”). The difference between the initial public offering prices to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the Discount Bonds is sold and the amount payable at maturity constitutes original issue discount, which is excludable from gross income to the same extent as interest on the 2022 Bonds for federal income tax purposes.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a constant yield to maturity basis. The amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Discount Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of a Discount Bond will be treated as gain from the sale or exchange of such Discount Bond.

Purchasers of Discount Bonds should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal income tax purposes, and with respect to the state and local tax consequences of owning Discount Bonds.

ORIGINAL ISSUE PREMIUM

Certain of the 2022 Bonds may be sold at initial offering prices, or may be subsequently purchased at prices, which are greater than the amount payable at maturity (“Premium Bonds”). An amount equal to the excess of the purchase price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over the Premium Bond’s term using constant yield principles, based on such Premium Bond’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bond, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Premium Bonds.]

CHANGE IN LAW

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause the interest on the 2022 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration offered a legislative proposal which generally would have limited the exclusion from gross income of interest on obligations like the 2022 Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that would significantly reduce the benefit of, or otherwise affect, the exclusion from gross income on obligations like the 2022 Bonds. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2022 Bonds. Prospective purchasers of the 2022 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislative, regulations or

litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

IRS AUDIT

The Internal Revenue Service (“IRS”) has established an ongoing program to audit tax exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Under current procedures, parties other than the County and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax exempt bonds is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to, selection of the 2022 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2022 Bonds, and may cause the County or the beneficial owners to incur significant expense.

STATE TAX TREATMENT

Bond Counsel is of the opinion that under present laws of the State, interest on the 2022 Bonds will be excluded from South Carolina taxation, except estate, transfer and certain franchise taxes. Section 12-11-20 of the South Carolina Code imposes upon every bank engaged in business in the State a fee or franchise tax computed at the rate of 4½% of the entire net income of such bank. Department of Revenue regulations require that the term “entire net income” include income derived from any source whatsoever, including interest on obligations of any state and any political subdivision thereof. Interest on the 2022 Bonds will be included in such computations.

SUITABILITY FOR INVESTMENT

Investments in the 2022 Bonds pose certain economic risks and are most suitable for sophisticated, institutional investors. No dealer, broker, salesman or other person has been authorized by the County or the Underwriter to give any information or make any representations, other than those contained in this Preliminary Limited Offering Memorandum. Prospective investors are encouraged to direct inquiries for documents or concerning this Preliminary Limited Offering Memorandum to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler, email: jkessler@fmsbonds.com.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the 2022 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the 2022 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2022 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2022 Bonds, or in any way contesting or affecting the validity of the 2022 Bonds or any proceedings of the County taken with respect to the issuance or sale thereof, the validity of the Assessments, the pledge or application of any moneys or security provided for the payment of the 2022 Bonds, or the existence or powers of the County.

There is no litigation against the Developer of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the development of the Development as described herein, materially and adversely affect the ability of the Developer to pay the Assessments imposed against the lands within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum or to enter into the Continuing Disclosure Agreement (as defined herein) or the Funding Agreement.

CONTINUING DISCLOSURE

The County and the Developer have each agreed to execute separate Continuing Disclosure Agreements (each, a “Continuing Disclosure Agreement”) with the Trustee and Municap, Inc., as dissemination agent, to provide certain annual financial information, operating data and notice of the occurrence of certain events with respect to the 2022 Bonds, if deemed material. In addition, certain information will be provided on a quarterly basis during the development stage of the District. The specific nature of the information, as well as the circumstances under which material events will be reported, is contained in Appendix G, **“FORMS OF CONTINUING DISCLOSURE AGREEMENT.”**

A failure to comply with the requirements of either Continuing Disclosure Agreement will not result in a default under the Indenture.

In connection with the issuance of the County’s general obligation bonds (CUSIP #514084), the County previously executed continuing disclosure undertakings requiring the filing of annual reports containing certain operating and financial data with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”) by a date certain after the end of each fiscal year and the timely filing of notices of certain listed events. For fiscal years ended June 30, 2017, 2018, 2019, 2020 and 2021, the County has caused its Continuing Disclosure Annual Report (including its Comprehensive Annual Financial Report or Annual Comprehensive Financial Report, as applicable) to be filed on EMMA on January 31, 2018, January 31, 2019, January 31, 2020, January 28, 2021 and January 19, 2022, respectively. The County has also caused Notices of Listed Event to be filed on EMMA on April 30, 2019, September 18, 2020, September 29, 2021 and September 22, 2022.

In connection with the issuance of the County’s special obligation bonds (CUSIP #51412A), the County previously executed continuing disclosure undertakings requiring the filing of annual reports containing certain operating and financial data with EMMA by February 1 after the end of each fiscal year beginning February 1, 2022 and the timely filing of notices of certain listed events. For fiscal year ended June 30, 2021, the County has caused its Continuing Disclosure Annual Report (including its Annual Comprehensive Financial Report) to be filed on EMMA on January 19, 2022. The County has also caused a Notice of Listed Event to be filed on EMMA on September 22, 2022.

In connection with the issuance of the County’s special assessment debt obligations (CUSIP #514088) issued with respect to improvement districts known as “Edgewater I Improvement District”, “Edgewater II Improvement District”, “Sun City Improvement District” and “Walnut Creek Improvement District” (formerly known as “Edenmoor Improvement District”), the County previously executed continuing disclosure undertakings requiring the filing of annual reports containing certain improvement district data with EMMA by a date certain after the end of each fiscal year and the timely filing of notices of certain listed events. With the exception of the County’s Edgewater II Improvement District assessment revenue bonds (“Edgewater II Bonds”), the County has caused an annual report (including its Comprehensive Annual Financial Report or Annual Comprehensive Financial Report) to be filed on EMMA by the applicable filing deadline.

Prior to December 2021, the Edgewater II Bonds were in default and had been in default since 2011. Such default status, including the default in the payment of assessments, created certain challenges with respect to the availability of data necessary to generate the annual reports required under the continuing disclosure undertakings executed for such Edgewater II Bonds and, as a result, neither the County nor its dissemination agent were able to file an annual report for fiscal years ended June 30, 2017, 2018, 2019 or 2020. On October 29, 2021, the County caused the filing of notices of failure to file related to the annual reports for fiscal years ended June 30, 2017, 2018, 2019 and 2020. On December 10, 2021, the Edgewater II Bonds were amended and restructured, and the County terminated the existing continuing disclosure undertakings with respect thereto.

To ensure timely filing of future annual reports, the County has revised fiscal year end procedures to identify filing of annual reports as a specific responsibility of the County Finance Director. The County has also signed up for the automatic notification feature with EMMA in order to have an additional reminder to make its required filings.

UNDERWRITING

The Underwriter set forth on the inside cover page hereof has agreed pursuant to a contract with the County, subject to certain conditions, to purchase the 2022 Bonds from the County at a purchase price of \$_____ (representing \$_____ aggregate principal amount of the 2022 Bonds, [plus][less] net original issue [premium][discount] and less an underwriter's discount of \$_____). The Underwriter's obligation is subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the 2022 Bonds if any are purchased. The 2022 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

NO RATING

The 2022 Bonds are not rated, nor has any rating for the 2022 Bonds been applied for. The 2022 Bonds are subject to a significant degree of risk and are suitable for investment consideration only for those persons who are sophisticated and experienced in investments of this type. See "**BOND OWNERS' RISKS.**"

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the 2022 Bonds are subject to the approval of Burr & Forman LLP, Columbia, South Carolina, Bond Counsel. Burr & Forman LLP, Columbia, South Carolina, is also serving as disclosure counsel. GrayRobinson, P.A., Tampa, Florida, is serving as counsel to the Underwriter. Certain legal matters will be passed upon for the County by its counsel, Smith Robinson Holler DuBose and Morgan, LLC, Columbia, South Carolina; and for the Developer by its counsel, Pope Flynn LLC, Columbia, South Carolina.

CONTINGENT AND OTHER FEES

The County is paying the fees of Bond Counsel, the Consultant, the Developer's counsel, the Underwriter (which has retained Underwriter's counsel), and the Trustee (which has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the 2022 Bonds. Payment of the fees of certain of these professionals is contingent upon the issuance of the 2022 Bonds.

FORWARD-LOOKING STATEMENTS

This Preliminary Limited Offering Memorandum contains certain "forward-looking statements" concerning the County and the Developer's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and

expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of either the County or the Developer. The words “may,” “would,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate,” and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

MISCELLANEOUS

Any statements made in this Preliminary Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the 2022 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions. Contemporaneously with the issuance of the 2022 Bonds, an authorized representative of the County will furnish a certificate to the effect that nothing has come to his or her attention that would lead him to believe that this Preliminary Limited Offering Memorandum (excluding the information under the captions “**DESCRIPTION OF THE 2022 BONDS—BOOK-ENTRY SYSTEM,**” “**THE SERIES 2022 PROJECT AND THE PROJECT,**” “**THE DEVELOPMENT,**” “**THE DEVELOPER**” and Appendices A through F), as of its date and as of the date of delivery of the 2022 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included herein for the purposes for which this Preliminary Limited Offering Memorandum is to be used, or which is necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

This Preliminary Limited Offering Memorandum has been prepared in connection with the sale of the 2022 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Preliminary Limited Offering Memorandum is not to be construed as a contract with the Holders or Beneficial Owners of any of the 2022 Bonds.

This Preliminary Limited Offering Memorandum has been duly authorized, executed and delivered by the County and deemed “final” by the County within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

APPENDIX A

MAP OF DEVELOPMENT

APPENDIX B

MAP OF DISTRICT

APPENDIX C
REPORT OF CIVIL ENGINEER

APPENDIX D

**ASSESSMENT ROLL FOR THE DISTRICT,
INCLUDING RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS**

APPENDIX E

ASSESSMENT BILLING FORECAST REPORT

[TO BE PROVIDED]

APPENDIX F

OPINION OF BOND COUNSEL

[Date of Delivery]

Lancaster County Council
Lancaster, South Carolina

Re: \$_____ Roselyn Residential Improvement District Assessment Revenue Bonds,
 Series 2022

Gentlemen:

We have acted as bond counsel for Lancaster County, South Carolina (the “County”), in connection with the issuance of its \$_____ Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2022 (the “Bonds”). In such capacity, we have examined such law and certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to the Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended and the Revenue Bond Act for Utilities, codified as Chapter 21 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the “Act”); an ordinance enacted on _____, 2022 by the County Council of the County (the “Bond Ordinance”); and a Master Trust Indenture dated _____, 2022 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture (the “First Supplemental Indenture”) dated _____, 2022, both between the County and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) (the Master Indenture and the First Supplemental Indenture are herein collectively referred to as the “Indenture”).

The Bonds are issued for the purposes of (i) paying a portion of the costs of the Series 2022 Project, (ii) paying interest coming due on the Bonds through [_____, _____], (iii) funding the Series 2022 Debt Service Reserve Account (as defined in the Indenture) in an amount equal to the Series 2022 Debt Service Reserve Requirement (as defined in the Indenture), (iv) paying the costs of issuance of the Series 2022 Bonds, and (v) paying certain Administrative Expenses (as defined in the Indenture).

As to questions of fact material to our opinion, we have relied upon the representations of the County contained in the Indenture and the Federal Tax Certificate of the County dated the date hereof, and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to the issuance of the Bonds have been duly authorized, executed and delivered by all parties thereto, and we have further assumed the due organization, existence and powers of such other parties relating to the issuance of the Bonds.

As bond counsel, we have been retained solely for the purpose of examining the validity and legality of the Bonds and of rendering the specific opinion herein stated and for no other purpose. We have not acted as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934) to the County or any other party in connection with the execution and delivery of the Bonds. We have not verified the accuracy, completeness or fairness of any representation or information concerning the business or financial condition of the County in connection with the sale of the Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representation or information.

Based on the foregoing, we are of the opinion that:

1. The County is validly existing as a body corporate and politic of the State with legal power to enact the Bond Ordinance, execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly authorized, executed and delivered by the County and constitutes a valid and binding agreement of the County enforceable against the County in accordance with its terms. The Indenture creates a valid pledge of the Trust Estate (as defined in the Indenture) for the security of the Bonds.

3. The Bonds have been duly authorized, executed and delivered by the County and are valid and binding limited obligations of the County, payable solely from the Trust Estate.

4. Interest on the Bonds is not an item of tax preference in computing the individual federal alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. Under the laws of the State of South Carolina, the Bonds and the interest thereon are presently exempt from all taxation in the State, except estate or other transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Bonds.

We express no opinion regarding tax consequences arising with respect to the Bonds, other than as expressly set forth herein, or regarding the accuracy, adequacy or completeness of the Limited Offering Memorandum relating to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity. We express no opinion as to the enforceability of any indemnification provisions within the Indenture.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

The opinions expressed herein are limited to matters concerning the federal laws of the United States of America and the laws of the State. We express no opinion as to the laws of any other jurisdiction.

Very truly yours,

BURR & FORMAN LLP

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENTS

[Form of Issuer's Continuing Disclosure Agreement]

CONTINUING DISCLOSURE AGREEMENT

Lancaster County, South Carolina
\$ _____ *Roselyn Residential Improvement District*
Assessment Revenue Bonds, Series 2022

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered on _____, 2022, by **LANCASTER COUNTY, SOUTH CAROLINA** (the "County"), **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), and **MUNICIPAL, INC.**, as dissemination agent (the "Disclosure Dissemination Agent") in connection with the issuance by the County of its \$ _____ aggregate principal amount of Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2022 (the "Bonds").

The Bonds are being issued pursuant to a Master Trust Indenture dated as of _____, 2022 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of _____, 2022 (collectively with the Master Indenture, the "Indenture"), each by and between the County and the Trustee. This Disclosure Agreement is being executed and delivered by the County for the benefit of the Holders of the Bonds.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Master Indenture or in the Limited Offering Memorandum (as defined herein). The capitalized terms shall have the following meanings:

"Administrative Services Agreement" means the agreement between the County and MuniCap related to, among other things, MuniCap's role as Disclosure Dissemination Agent and Disclosure Representative hereunder.

"Annual Filing Date" means the date in each year, as set forth in Section 2(a) of this Disclosure Agreement, by which the Annual Report is to be filed with the MSRB.

"Annual Filing Information" means the information specified in Section 3 of this Disclosure Agreement.

"Annual Report" means the annual reports described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements of the County for the prior fiscal year, certified by an independent auditor, as prepared in accordance with generally accepted accounting principles, as specified in Sections 2 and 3 of this Disclosure Agreement.

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

"County Disclosure Representative" shall mean the Chief Financial Officer of the County or his or her designee, or such other officer or employee as the County shall designate in writing to the Disclosure Dissemination Agent from time to time.

"Developer" means Lennar Carolinas, LLC.

“Developer’s Continuing Disclosure Agreement” shall mean the Developer’s Continuing Disclosure Agreement of even date herewith by and among the Disclosure Dissemination Agent, the Trustee and the Developer.

“Disclosure Dissemination Agent” means MuniCap, or any successor disclosure dissemination agent subsequently designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Disclosure Representative” means MuniCap or such successor disclosure representative as the County 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.

“District” means the Roselyn Residential Improvement District.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (1) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

“Information” means the Annual Filing Information, the Notice Event notices, and the Voluntary Reports.

“Limited Offering Memorandum” means that Limited Offering Memorandum dated _____, 2022, prepared in connection with the issuance of the Bonds.

“Municap” means Municap, Inc.

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

“Notice Event” means any of the events listed in Section 4(a) of this Disclosure Agreement, as well as the event described in Section 2(c) of this Disclosure Agreement.

“Participating Underwriters” means the original underwriters of the Bonds.

“State” means the State of South Carolina.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the County pursuant to Section 8 of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The County, or the Disclosure Representative on the County’s behalf, shall provide, annually, an electronic copy of the Annual Report to the Disclosure Dissemination Agent, not later than 15 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report, the Disclosure Dissemination Agent shall provide the Annual Report to the MSRB not later than

February 15 of each year, commencing February 15, 2023 with respect to the fiscal year ending June 30, 2022. Such date (February 15) and each anniversary thereof is the Annual Filing Date. Notwithstanding the foregoing, 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; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report; provided, further, that if the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report, on or before the Annual Filing Date, in a format similar to the Audited Financial Statements, with the Audited Financial Statements to be delivered as soon as they are available. If the County's fiscal year changes, the County shall give notice of such change in the same manner as for a Notice Event under Section 4 of this Disclosure Agreement.

(b) If the County, or the Disclosure Representative on its behalf, is unable to provide an Annual Report to the Disclosure Dissemination Agent by the date required in subsection (a) above, the County Disclosure Representative in a timely manner shall send a notice to the Disclosure Dissemination Agent in substantially the form attached as **Exhibit B**.

(c) If the Disclosure Dissemination Agent has not received an Annual Report by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event shall have occurred and the County irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **Exhibit B**.

Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Market Access ("EMMA") system, the current Internet Web address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be in an electronic format as prescribed by the MSRB.

SECTION 3. *Content of Annual Reports.* Each Annual Report shall contain Annual Filing Information with respect to the District, including:

1. A report in substance and form substantially as shown on **Exhibit C** attached hereto; and
2. The Audited Financial Statements of the County, subject to the terms and conditions of Section 2(a) of this Disclosure Agreement.

The Annual Filing Information set forth in subsection 1 above shall contain updates to the information and tables substantially in the format shown on **Exhibit C** attached hereto; provided, however, that as and to the extent any of such items are included in the Audited Financial Statements referred to in subsection 2 above, such items do not have to be separately set forth in the report referred to in subsection 1 above. In addition, any or all of the items shown on **Exhibit C** may be included by specific reference from other documents which have been previously filed with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County will clearly identify each such document so incorporated by reference.

SECTION 4. *Reporting of Notice Events.*

(a) Pursuant to the provisions of this Section 4, the County shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds:

- (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 relating to the Bonds 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 (other than pursuant to an extraordinary redemption under the terms of the Indenture);
- (ix) Defeasances;
- (x) Upon obtaining actual knowledge thereof, the release, substitution, or sale of property securing repayment of the Bonds, if material (provided that for purposes of this event only a sale of property that is a Material Transfer (as defined in the Developer's Continuing Disclosure Agreement) shall be considered to be material, unless Developer has already filed notice of such event under the Developer's Continuing Disclosure Agreement);
- (xi) Rating changes, if any, on the Bonds;
- (xii) Bankruptcy, insolvency, receivership or similar Event of the County (for the purposes of this Disclosure Agreement, an Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County 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 County, 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 County);
- (xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Bond holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

The County will, upon determination that knowledge of the occurrence of a Notice Event which is subject to a materiality determination would be material under applicable federal securities laws, promptly notify the Disclosure Dissemination Agent. Such notification to the Disclosure Dissemination Agent shall be accompanied with the text of the disclosure that the County desires to make, the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and the date the County desires for the Disclosure Dissemination Agent to disseminate such information.

Upon its receipt of a notification of a Notice Event, the Disclosure Dissemination Agent, on behalf of the County, shall file a notice of the Notice Event in a timely manner, not in excess of ten business days of such occurrence, with the MSRB.

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, notices of Notice Events, and Voluntary Reports filed pursuant to Section 8(a) of this Disclosure Agreement, the County 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 County 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 County, and that the failure of the Disclosure Dissemination Agent to so advise the County shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The County 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 Reports.

(a) The County Disclosure Representative may instruct the Disclosure Dissemination Agent to file information with the MSRB, from time to time a “Voluntary Report.”

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the County 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, Annual Filing Information, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report, Annual Filing Information, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the County shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Filing Information, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the County and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon delivery by the County Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. *Disclosure Dissemination Agent and Disclosure Representative.* In accordance with the terms and provisions of the Administrative Services Agreement, the County hereby appoints MuniCap as Disclosure Dissemination Agent and as Disclosure Representative under this Disclosure Agreement and MuniCap hereby agrees to provide the services of Disclosure Dissemination Agent and Disclosure Representative hereunder. The County may, upon thirty days written notice to MuniCap, remove MuniCap as Disclosure Dissemination Agent or Disclosure Representative under this Disclosure Agreement. Likewise, MuniCap may, upon thirty days written notice to the County, resign as Disclosure Dissemination Agent or Disclosure Representative under this Disclosure Agreement. In either such case, MuniCap's services as Disclosure Dissemination Agent or Disclosure Representative, as applicable, shall be terminated. Upon termination of MuniCap's services as Disclosure Dissemination Agent or Disclosure Representative, whether by notice of the County or MuniCap, the County will appoint a successor Disclosure Dissemination Agent or Disclosure Representative, as applicable, for the benefit of the Holders of the Bonds or, alternatively, will assume all responsibilities of Disclosure Dissemination Agent or Disclosure Representative, as applicable, under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor Disclosure Dissemination Agent or Disclosure Representative, the County shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent and Disclosure Representative, as applicable, hereunder. It is expressly understood that amounts due and payable to the Disclosure Dissemination Agent and the Disclosure Representative hereunder shall constitute Administrative Expenses, under and as defined in the Master Indenture, and pursuant to the Master Indenture such Administrative Expenses may be paid from Assessments.

SECTION 10. *Remedies in Event of Default.* In the event of a failure of the County or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure 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 and the Limited Liability of the Disclosure Dissemination Agent and Disclosure Representative.*

(a) The Disclosure Dissemination Agent and the Disclosure Representative 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 County Disclosure Representative or the Disclosure Representative 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, nor be responsible for, any Information or any other information, disclosures or notices provided to it by the County Disclosure Representative or the Disclosure Representative. Neither the Disclosure Dissemination Agent nor the Disclosure Representative shall be deemed to be acting in any fiduciary capacity for the Developer, the County, the Holders of the Bonds or any other party. Neither the Disclosure Dissemination Agent nor the Disclosure Representative shall have any responsibility for the County's or the County's Disclosure Representative's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. Neither the Disclosure Dissemination Agent nor the Disclosure Representative shall have any duty to determine, or liability for failing to determine, whether the County has complied with this Disclosure Agreement. The Disclosure Dissemination Agent and the Disclosure Representative may conclusively rely upon certifications of the County Disclosure Representative at all times. No person shall have any claim against the Disclosure Dissemination Agent or the Disclosure Representative, or any of their respective

officers, officials, agents or employees for damages suffered as a result of the Disclosure Dissemination Agent's or the Disclosure Representative's failure to perform in any respect any covenant, undertaking, or obligation under this Disclosure Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Disclosure Dissemination Agent or the Disclosure Representative or any of their respective officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement.

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

(b) The Disclosure Dissemination Agent and the Disclosure Representative may, from time to time, consult with legal counsel (either in-house or external) of their 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 neither of them shall 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 County.

SECTION 12. [Reserved].

SECTION 13. *Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Agreement, the Disclosure Dissemination Agent, the Trustee and the County may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Disclosure Dissemination Agent shall describe such amendment in the next report provided pursuant to Section 2 of this Disclosure Agreement, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Developer.

SECTION 14. *Limited Liability of the County.* Any and all obligations of the County arising out of or related to this Disclosure Agreement are special obligations of the County and may not constitute a general obligation debt of the County or a pledge of the County's full faith and credit, and the County's obligations to make any payments hereunder are restricted entirely to the Trust Estate and the Administrative Expenses Fund (which is expressly excluded from the Trust Estate under the terms of the Master Indenture) and from no other source. No person, including any Holder, shall have any claim against the County or any of its officers, officials, agents or employees for damages suffered as a result of the County's failure to perform in any respect any covenant, undertaking, or obligation under this Disclosure Agreement, the Bonds or any other agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale and delivery of the Bonds (collectively, the "Bond Documents") or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent expressly set forth in this Disclosure Agreement, or in the Bond Documents, provided however, that, subject to Section 11 of this Disclosure Agreement, nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the County or any of its officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement.

SECTION 15. *Severability.* In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered

into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the County, the Disclosure Dissemination Agent, the Disclosure Representative, the Trustee, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 17. *Governing Law.* This Disclosure Agreement shall be governed by the laws of the State of South Carolina.

SECTION 18. *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.

SECTION 19. *Notice.* Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

If to the Disclosure
Dissemination Agent:

MuniCap, Inc.
8965 Guilford Road
Suite 210
Columbia, Maryland 21046
Attention: Keenan Rice

If to the County:

County Administrator
Lancaster County, South Carolina
Post Office Box 1809
Lancaster, South Carolina 29721-1809

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

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,** as
Trustee

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Title: _____

By: _____
Chairman, County Council

MUNICAP, INC., as Disclosure
Dissemination Agent

By: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of County: Lancaster County, South Carolina

Name of Bond Issue: Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2022

Date of Issuance: _____, 2022

Date of Limited
Offering Memorandum: _____, 2022

CUSIP Numbers:	<u>Maturity Date</u>	<u>CUSIP</u>
	12/1/_____	
	12/1/_____	
	12/1/_____	

EXHIBIT B
NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of County: Lancaster County, South Carolina (the “County”)

Name of Bond Issue: Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2022

Date of Issuance: _____, 2022

NOTICE IS HEREBY GIVEN that the County has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated _____, 2022, among the County, U.S. Bank Trust Company, National Association, as Trustee, and MuniCap, Inc., as Disclosure Dissemination Agent. *[The following sentence will be included in this Notice if such information is available and provided by the County to the Disclosure Dissemination Agent by a date which allows the Disclosure Dissemination Agent to meet its obligations in Section 2(b) and (c) of the Continuing Disclosure Agreement]* The County has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be provided to the Disclosure Dissemination Agent by _____.

Dated: _____

MuniCap, Inc., as
Disclosure Dissemination Agent, on behalf of the
County

By: _____

Name: _____

Title: _____

cc: Lancaster County

EXHIBIT C
FORM OF ANNUAL REPORT

Lancaster County, South Carolina
Roselyn Residential Improvement District
Assessment Revenue Bonds, Series 2022

The information in this report is provided to meet the annual reporting requirements of Lancaster County, South Carolina (the “County”) provided for in Section 3 of the Continuing Disclosure Agreement dated _____, 2022 (the “Continuing Disclosure Agreement”), among the County, U.S. Bank Trust Company, National Association, as Trustee, and MuniCap, Inc. (“MuniCap”). The information provided in this report comprises the Annual Filing Information to be included in the Annual Report to be filed on or before the Annual Filing Date (each as defined in the Continuing Disclosure Agreement).

Serving as the Disclosure Representative, as defined in the Continuing Disclosure Agreement, MuniCap has prepared this report. The information presented in this report was provided by a number of sources and is believed to be accurate; however, MuniCap has made no efforts to independently verify this information. All information in this Annual Report is provided as of December 31, 20____, unless otherwise stated.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum relating to the Bonds (as defined in the Continuing Disclosure Agreement) and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the Continuing Disclosure Agreement.

A. ACCOUNT AND FUND BALANCES

Table 1 below shows the account balances as of December 31, _____, interest paid, additional proceeds and disbursements during the year ending December 31, _____ for all of the funds and accounts provided for in the Master Indenture (as defined in the Continuing Disclosure Agreement).

TABLE 1

Fund Balances

Fund or Account	Balance 12/31/____	Disbursements	Additional Proceeds	Interest Earned	Balance 12/31/____
Series 2022 Acquisition and Construction Account of the Acquisition and Construction Fund					
Series 2022 Cost of Issuance Sub-account of the Acquisition and Construction Fund					
Revenue Fund					
Series 2022 Principal Account of the Debt Service Fund					
Series 2022 Interest Account of the Debt Service Fund					

Series 2022 Capitalized Interest Sub-account of the Debt Service Fund					
Series 2022 Sinking Fund Account of the Debt Service Fund					
Series 2022 Debt Service Reserve Account of the Debt Service Reserve Fund					
Series 2022 General Account of the Bond Redemption Fund					
Series 2022 Prepayment Account of the Bond Redemption Fund					
Series 2022 Administrative Expenses Account of the Administrative Expenses Fund					
Total					

B. CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS

The following is a list of all changes, if any, to the Rate and Method of Apportionment of Assessments since the previous year's Annual Report.

(Describe here, if any)

C. ASSESSMENTS BILLED AND COLLECTED

Annual Assessment billings totaling \$_____ were billed for the 20__-20__ Assessment Year. These annual Assessment billings were due January 15, 20__. As of January __, 20__, the County reports that annual Assessment billings in the amount of \$_____ have been collected, representing approximately __ percent of the annual Assessment billings for the 20__-20__ Assessment Year. As of January __, 20__, the County reports that annual Assessment billings in the amount of \$_____ remain outstanding, representing approximately __ percent of the annual Assessment billings for the 20__-20__ Assessment Year.

D. OUTSTANDING ASSESSMENT BILLINGS

As of January __, 20__, the County reports outstanding Assessment billings as shown in the table below.

[Table to be provided by MuniCap]

If the amount of outstanding Assessment billings is more than 10 percent of the amount of the Assessments billed in any Assessment Year, the property owners responsible for the outstanding Assessment billings in that Assessment Year shall be provided.

E. FORECLOSURE PROCEEDINGS

Table 2 below shows the amount of Assessment billings subject to foreclosure proceedings for any relevant Assessment Year.

Table 2

**Assessment Billings Subject to
Foreclosure Proceedings**

Status	Assessment Billings for 20__ Assessment Year
Subject to foreclosure but not yet instituted	\$0
Foreclosure instituted but have not been concluded	\$0
Reduced to judgment but not collected	\$0
Judgment collected	\$0
Total	\$0

F. ANNUAL ASSESSMENTS BY PROPERTY OWNER

Table 3 below lists any property owners responsible for the payment of more than five percent of the Assessments billed in the most recent Assessment Year, the amount of Assessments billed to such property owner and the percentage of such billed Assessments relative to the entire annual billing of Assessments.

Table 3

Concentration of Annual Assessments by Property Owner

Owner	Annual Assessments Billed	Percentage of Total
Total		

G. PREPAYMENT OF ASSESSMENTS AND REDEMPTION BY PREPAYMENTS

The following is a list of any Assessment prepayments received since the prior Annual Report, if any, and the amount of Bonds redeemed or called for redemption as a result of such Assessment prepayments.

[List, if any]

H. DEBT SERVICE SCHEDULE

Table 4 below shows the debt service schedule for the remaining term of the Bonds as of the date of this Annual Report.

Table 4
Debt Service Schedule

Year Ending December 1	Principal	Annual Interest Expense	Total Debt Service
Total			

I. UNDEVELOPED PROPERTY ASSESSMENTS

The following is an update to the tables in the Limited Offering Memorandum under the section “**THE DISTRICT AND THE DEVELOPMENT—The Development—Undeveloped Property Assessments**” for the most recent Assessment Year.

[Insert Tables with appropriate footnotes]

J. AUDITED FINANCIAL STATEMENTS

The County’s Audited Financial Statements (as defined in the Continuing Disclosure Agreement) are attached or have been separately provided on EMMA (as defined in the Continuing Disclosure Agreement).

[Form of Developer's Continuing Disclosure Agreement]

DEVELOPER'S CONTINUING DISCLOSURE AGREEMENT

Lancaster County, South Carolina
\$[] Roselyn Residential Improvement District
Assessment Revenue Bonds, Series 2022

This Developer's Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered on [**], by **LENNAR CAROLINAS, LLC**, a Delaware limited liability company the "Developer"), **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), and **MUNICAP, INC.** (the "Disclosure Dissemination Agent" or "MuniCap") in connection with the issuance by Lancaster County, South Carolina (the "County") of its \$[**] aggregate principal amount of Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2022 (the "Bonds").

The Bonds are being issued pursuant to a Master Trust Indenture dated as of [**], 2022 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of [**], 2022 (collectively with the Master Indenture, the "Indenture"), each by and between the County and the Trustee. This Disclosure Agreement is being executed and delivered by the Developer for the benefit of the Holders of the Bonds. The Developer, MuniCap, and the Trustee hereby covenant and agree as follows:

SECTION 1. Definitions. All capitalized terms used herein shall be as defined in the Master Indenture or in the hereinafter defined Limited Offering Memorandum. In addition, the following capitalized terms shall have the following meanings:

"Affiliate" shall mean any Person directly or indirectly controlling, controlled by, or under common control with, the Developer. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, partnership interests, membership interests or by contract or otherwise.

"County" means Lancaster County, South Carolina.

"Developer" means Lennar Carolinas, LLC.

"Disclosure Dissemination Agent" means MuniCap, or any successor disclosure dissemination agent subsequently designated in writing by the County, and which has filed with the County and the Developer a written acceptance of such designation.

"District" means the Roselyn Residential Improvement District.

"Holder" means a person (a) which has 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) is treated as the owner of any Bonds for federal income tax purposes.

"Limited Offering Memorandum" means that Limited Offering Memorandum dated [**], 2022, prepared in connection with the issuance of the Bonds.

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

“Participating Underwriters” means the original underwriters of the Bonds.

“Person” means an individual, estate, trust, corporation, partnership, limited liability company or any other organization or entity (whether governmental or private).

“State” means the State of South Carolina.

SECTION 2A. *Provision of Information.*

(a) The Developer shall, within thirty days following June 30 and December 31 of each year, commencing with the semi-annual period ending June 30, 2023, provide to the Disclosure Dissemination Agent the following information, and the Disclosure Dissemination Agent shall cause such information to be provided to MSRB, the Participating Underwriters and the County within fifteen (15) days of receipt

(i) With respect to Undeveloped Property owned by the Developer or an Affiliate subject to Assessments and intended for single family detached residential development:

(A) Total number by type of lots currently planned as of the end of the applicable semi-annual period;

(B) Total number by type of lots developed and platted (semi-annually and in the aggregate);

(C) Total number of homes by type contracted for sale to homebuyers (semi-annually and in the aggregate);

(D) Total number of homes by type closed to homebuyers (semi-annually and in the aggregate);

(E) Any bulk sales of land or lots (semi-annually), together with the name of the purchaser, the number of acres/lots sold and the price per acre/lot; and

(F) Any incurrence of mortgage debt on single family detached residential land owned by the Developer or an Affiliate subject to Assessments, together with size of loan, maturity date and name of lender.

(ii) With respect to Undeveloped Property owned by the Developer or an Affiliate subject to Assessments and intended for any use other than single family detached residential development:

(A) Total number of acres and planned residential units or square feet of other types of development as of the end of the applicable semi-annual period;

(B) Total number of acres developed (semi-annually and in the aggregate);

(C) Total number of residential units or square feet of other types of development under construction (semi-annually);

(D) Total number of residential units or square feet of other types of development constructed (semi-annually and in the aggregate);

(E) Any bulk sales of land (semi-annually), together with the number of acres, name of the purchaser, the price per acre and intended use; and

(F) Any incurrence of mortgage debt on land (other than single family detached residential land) owned by the Developer or an Affiliate, together with size of loan, maturity date and name of lender.

(iii) A statement as to material changes, if any, in the form, organization or ownership of the Developer or any Affiliate who owns a material portion of the property in the District;

(iv) A statement as to any material change in the expected plan to develop the District as described in the section of the Limited Offering Memorandum entitled “THE DISTRICT AND THE DEVELOPMENT-The Development-*Development Status and Plan*”;

(v) A statement or statements as to the existence of any administrative or judicial challenge or the status of any adverse litigation (A) against the Developer or any Affiliate that owns property within the District which would materially adversely affect such party’s ability to perform its obligations under the Development Agreement or develop the District as contemplated by the Limited Offering Memorandum or (B) against the Developer or any Affiliate that owns property within the District which litigation would materially adversely affect the completion of the Development as contemplated by the Limited Offering Memorandum; and

(vi) A statement as to any material default by the Developer with respect to any material public works agreement, permit or approval with respect to the District.

(b) If the Developer does not provide the information in subsection (a) of this Section to the Disclosure Dissemination Agent within such time prescribed in subsection (a) of this Section, then the Disclosure Dissemination Agent in a timely manner will provide notice of the late submission of such information to the MSRB.

(c) The Disclosure Dissemination Agent shall provide documentation to the Developer confirming that the information provided by the Developer has been provided to the MSRB pursuant to this Disclosure Agreement and stating the date it was provided.

(d) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB’s Electronic Municipal Market Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be in an electronic format as prescribed by the MSRB.

SECTION 2B. *Reporting of Significant Events.* Whenever any of the officers of the Developer in charge of the routine day-to-day operations of the Development obtains actual knowledge of the occurrence of one or more of the following events, the Developer shall contact the Disclosure Dissemination Agent within five (5) business days of obtaining such actual knowledge (provided for purposes of any event described in subsection (a) below, this period shall be ten (10) days, as provided in such subsection, which shall be inclusive of the five (5) business days referred to above) and the Disclosure Dissemination Agent shall immediately report such event to the Trustee and the County and shall promptly provide such information to the MSRB:

(a) failure to pay by the due date the Assessments imposed on a parcel within the District owned by the Developer, or any Affiliate, which failure to pay by the due date is in an amount in excess of \$10,000 and only if such Assessments remain unpaid more than ten (10) days after any of the officers of the Developer in charge of the routine day-to-day operations of the Development has obtained actual knowledge of such failure to pay;

(b) any appeal by the Developer or an Affiliate of any Assessment imposed on a parcel in the District owned by the Developer or any Affiliate, which parcel comprises a material amount of acreage or value;

(c) material damage to or destruction of any material development or improvements owned by the Developer or any Affiliate within the District;

(d) the filing in bankruptcy by or with respect to, the Developer, or any Affiliate that owns property within the District, or any owners of more than a twenty-five percent (25%) interest in the Developer, or any determination that the Developer, or any Affiliate that owns property within the District, or an owner of more than a twenty-five percent (25%) interest in the Developer, is unable to pay its debts as they become due; and

(e) the filing of any adverse litigation (A) against the Developer or any Affiliate that owns property within the District which would materially adversely affect such party's ability to perform its obligations under the Development Agreement or develop the District as contemplated by the Limited Offering Memorandum or (B) against the Developer or any Affiliate that owns property within the District which litigation would materially adversely affect the completion of the Development as contemplated by the Limited Offering Memorandum.

SECTION 3. *Termination and Tolling of Reporting Obligation.*

(a) The Developer's obligations under this Disclosure Agreement shall terminate upon the earlier of (i) legal defeasance of all of the Bonds, (ii) prior redemption of all of the Bonds, and (iii) payment in full of all of the Bonds. In addition, if the Developer transfers all or substantially all of the property in the District owned by the Developer to a Person who is not an Affiliate, the Developer's obligations under this Disclosure Agreement shall terminate upon such transferee's assumption of the Developer's obligations under this Disclosure Agreement or such transferee entering a disclosure agreement substantially similar to this Disclosure Agreement.

(b) In addition, the Developer's obligations under this Disclosure Agreement shall be tolled until the next annual update to the Assessment Roll to the extent the following conditions are met (i) capitalized interest is not available to pay interest on the Bonds or Additional Bonds and principal is due with respect to such Bonds and Additional Bonds, both as demonstrated in the most recent annual update to the Assessment Roll, and (ii) less than 20% of the aggregate Annual Payment is billed to parcels, in accordance with the most recent annual update to the Assessment Roll, that are owned by the Developer or its Affiliates at such time as the County Council approves the Annual Payments to be billed to parcels.

SECTION 4. *Disclosure Dissemination Agent.* The County hereby appoints MuniCap as Disclosure Dissemination Agent under this Disclosure Agreement and MuniCap hereby agrees to provide the services of Disclosure Dissemination Agent hereunder. The County may, upon thirty days written notice to MuniCap, remove MuniCap as Disclosure Dissemination Agent under this Disclosure Agreement. Likewise, MuniCap may, upon thirty days written notice to the County, resign as Disclosure Dissemination Agent under this Disclosure Agreement. In either such case, MuniCap's services as Disclosure Dissemination Agent shall be terminated. Upon termination of MuniCap's services as Disclosure Dissemination Agent, whether by notice of the County or MuniCap, the County will appoint a

successor Disclosure Dissemination Agent for the benefit of the Holders of the Bonds. The Disclosure Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Developer pursuant to this Disclosure Agreement. It is expressly understood that amounts due and payable to the Disclosure Dissemination Agent hereunder shall constitute Administrative Expenses, under and as defined in the Master Indenture, and pursuant to the Master Indenture such Administrative Expenses may be paid from Assessments.

SECTION 5. *Limited Liability of Developer; Remedies in Event of Default.*

(a) No person shall have any claim against the Developer, or any of its officers, officials, agents or employees for damages suffered as a result of the Developer's failure to perform in any respect any covenant, undertaking, or obligation of the Developer under this Disclosure Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Developer or any of its officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement pursuant to this Section.

(b) In the event of a failure of the Developer to comply with any provision of this Disclosure Agreement, any Holder of the Bonds may seek specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or any other document related to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer to comply with this Disclosure Agreement shall be an action to compel specific performance.

SECTION 6. *Duties, Immunities and the Limited Liability of the 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 Developer 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 of this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify, nor be responsible for, any information, disclosures or notices provided to it by the Developer and shall not be deemed to be acting in any fiduciary capacity for the Developer, the County, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Developer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Developer at all times. No person shall have any claim against the Disclosure Dissemination Agent, or any of its officers, officials, agents or employees for damages suffered as a result of the Disclosure Dissemination Agent's failure to perform in any respect any covenant, undertaking, or obligation under this Disclosure Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Disclosure Dissemination Agent or any of their officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement.

THE DEVELOPER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, AS THE SAME RELATES TO THE DEVELOPER'S OBLIGATIONS

HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S NEGLIGENCE OR MISCONDUCT.

The obligations of the Developer 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 of this Disclosure Agreement or its respective duties hereunder, and neither of them shall 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 Developer.

SECTION 7. *Severability.* In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 8. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the Developer, the Disclosure Dissemination Agent, the Trustee, the Participating Underwriters, the County and the Holders from time to time of the Bonds and shall create no rights in any other person or entity.

SECTION 9. *Governing Law.* This Disclosure Agreement shall be governed by the laws of the State of South Carolina.

SECTION 10. *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.

SECTION 11. *Amendment and Waiver.* Notwithstanding any other provision of this Disclosure Agreement, the Disclosure Dissemination Agent, the Trustee and the Developer may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Disclosure Dissemination Agent shall describe such amendment in the next report provided pursuant to Section 2A of this Disclosure Agreement, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Developer.

SECTION 12. *Notice.* Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

If to the Disclosure
Dissemination Agent:

MuniCap, Inc.
8965 Guilford Road
Suite 210
Columbia, Maryland 21046
Attention: Keenan Rice

If to the Developer:

Lennar Carolinas, LLC
6701 Carmel Road, Suite 100C
Charlotte, NC 28226

If to the Trustee

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29201
Attn: Corporate Trust Department

SECTION 13. *County's Role under this Disclosure Agreement.* The County is executing this Disclosure Agreement solely for the purposes of acknowledging and accepting (a) (i) its role in appointing the initial Disclosure Dissemination Agent hereunder, (ii) its right to remove the Disclosure Dissemination Agent, and (iii) its duty to appoint a successor Disclosure Dissemination Agent upon the removal or resignation of the Disclosure Dissemination Agent acting hereunder, all as provided in Section 4 of this Disclosure Agreement, (b) its right to receive the information provided on a semi-annual basis as provided in Section 2A of this Disclosure Agreement and (c) its rights a beneficiary under this Disclosure Agreement as provided in Section 8 of this Disclosure Agreement. Except as expressly provided in the immediately preceding sentence of this Section, the County shall have no duties, obligations or liability under this Disclosure Agreement.

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

U.S. BANK TRUST COMPANY
NATIONAL ASSOCIATION, as Trustee

LENNAR CAROLINAS, LLC

By: _____
Title: _____

By: _____
Title: _____

MUNICAP, INC., as Disclosure
Dissemination Agent

By: _____
Title: _____

Accepted and Acknowledged by Lancaster County, South Carolina as provided in Section 13 of this Disclosure Agreement:

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

APPENDIX H

SUBSTANTIALLY FINAL DRAFTS OF THE INDENTURE

[To be Inserted]

APPENDIX I

INFORMATION REGARDING LANCASTER COUNTY, SOUTH CAROLINA

General Description

The County, established in 1785, is located in the north central section of South Carolina, and is bounded on the west by the Catawba River and Sugar Creek, on the east by Lynches River, on the south by Kershaw County and on the north by Mecklenburg County and Union County in North Carolina. The County includes four incorporated municipalities: Lancaster, Kershaw, Heath Springs and Van Wyck. The City of Lancaster, the county seat, is located 37 miles south of Charlotte, North Carolina, and 60 miles north of Columbia, South Carolina, the state capital. According to the 2020 Census, the population of the County was 96,016; the 2021 population of the County is estimated to be 100,336.

Form of Government

The County operates under the Council-Administrator form of government in accordance with Title 4, Chapter 9 of the South Carolina Code (the “Home Rule Act”). The County Council consists of seven members elected from single-member districts for four-year terms. The County Council bi-annually elects one member to serve as Chair, one member to serve as Vice Chair and one member to serve as Secretary.

The County Council is responsible, among other things, for enacting ordinances, adopting an annual budget for all County departments, setting a tax rate, and levying ad valorem taxes necessary to carry out County functions and pay County indebtedness. The County Council employs a County Administrator who is responsible for day-to-day operations of the County and for implementing County Council policy.

The present members of the County Council, their respective occupations and number of years of service on County Council are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Years of Service</u>
Steve Harper, Chair	Self-Employed	9
Brian Carnes, Vice Chair	Self-Employed	9
Billy Mosteller, Secretary	Self-Employed	5
Terry Graham	Self-Employed	5
Charlene McGriff	Director of Non-Profit Corp	11
Larry Honeycutt	Retired	15
Allen Blackmon	Retired	3

Dennis Marstall is the County Administrator and has served in this position since October 18, 2021. Mr. Marstall has spent 16 years in city and county management, including 12 years with the City of Charlotte, North Carolina (Manager’s Office/Mayor’s Office, Economic Development Office, and Budget and Evaluation Office). He also spent five years in non-profit leadership as Vice President for Community Investment and Impact for the United Way of Central Carolinas. Most recently, Mr. Marstall has served as the Assistant City Manager for Manhattan, Kansas. Mr. Marstall obtained a Bachelor of Arts Degree in Political Science from Kansas State University and a Master of Public Administration Degree in Public Policy and Administration from the University of Louisville.

Veronica C. Thompson is the Chief Financial Officer of the County and has served in that capacity (or such other equivalent positions) since June 15, 2001. Prior to becoming Chief Financial Officer, Ms. Thompson served as a staff accountant for the County for four years. She was graduated from Newberry College in December 1990 with a Bachelor’s Degree in Accounting. She is a member of

Government Finance Officers Association (South Carolina and National) and the Association of Government Accountants.

In addition to the County Council, various county officers are also elected, including the County Auditor, County Treasurer, Clerk of Court, Coroner, Probate Judge and Sheriff.

Services Provided

The County provides various local services which are funded primarily from the County's *ad valorem* tax levy as reflected in its annual budget for the fiscal year ending June 30, 2022. The County also collects fees and user charges to offset the cost of providing certain of these services.

In order to provide these services, in its annual budget for the fiscal year ending June 30, 2022, the County authorized approximately 675 full-time-equivalent positions, consisting of:

<u>Services</u>	<u>Full Time Equivalent</u>
General Government Administration	117
Administration of Justice	35
Culture & Recreation	65
Public Safety & Law Enforcement	277
Public Works	75
Public Health & Safety	<u>106</u>
Total	675

Other Services Provided Within the County

Several municipalities within the County also provide some of the services listed above and additional services not provided by the County.

Water and sewer services to portions of the County are provided by the Lancaster County Water and Sewer District. Refuse collection is handled directly by the municipalities or franchised by the County to private contractors. Household garbage convenience stations are provided at various locations throughout the County.

Public safety and law enforcement for the County employs 277 full-time-equivalent employees and includes one police station, two police sub-stations, and 18 fire stations.

Public health and welfare for the County employs 106 full-time-equivalent employees which includes four Animal Shelter employees and serves County residents through eight EMS stations.

The County Public Works Department provides solid waste service throughout the County, maintains an estimated 279 miles of paved roads and 219 miles of unpaved roads, and has 75 full-time-equivalent employees which includes four ground crew workers.

The County Culture & Recreation Department maintains 38 County parks (parks, fields and playgrounds), four recreation centers and three libraries with 65 full-time-equivalent employees. Upgrades to recreation and library facilities are planned for fiscal year ending June 30, 2022.

Municipal Solid Waste Landfill

The County's landfill was closed as of June 30, 1995. The South Carolina Department of Health and Environmental Control ("DHEC") requires landfill operators to provide for inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the

groundwater and gas monitoring systems and the leachate collection and treatment system, for a period of thirty years after closing. DHEC also requires that operators cover the landfill with a minimum cover of a certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. Because the landfill is closed, the County considers it to be at 100% of capacity.

During fiscal year ended June 30, 2021, the County expended \$75,418 in landfill closure costs. Remaining post-closure costs are estimated by the County at \$1,010,797 and included with the long-term liabilities in the County's audited statement of net assets as of June 30, 2021. Post-closure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology, and applicable laws and regulations.

Five-Year Summary of General Fund Operations

The following five-year summary of the general fund for fiscal years ended June 30, 2017, to 2021 should be reviewed together with the County's complete audited financial statements as a whole, including, but not limited to, the report of the County's independent certified public accountants and the notes to such financial statements. The audited financial statements of the County for fiscal year ended June 30, 2021, were audited by Mauldin & Jenkins, LLC, Certified Public Accountants, and are attached to this Official Statement as Exhibit 1 to this Appendix I. Copies of complete financial statements for prior years are available upon request at the office of Veronica C. Thompson, Chief Financial Officer, Lancaster County, 101 North Main Street, Lancaster, South Carolina 29721-1809; telephone (803) 416-9301.

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**Summary of General Fund for
Lancaster County, South Carolina, for fiscal year ending**

	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21
Revenues					
Property taxes	\$30,394,683	\$32,519,908	\$37,751,878	\$41,435,302	\$44,039,177
Sales and other local taxes	2,382,448	2,411,954	2,487,225	2,813,201	3,154,315
Licenses and permits	6,009,615	6,802,235	6,912,416	7,531,313	9,199,118
Intergovernmental	4,670,820	4,913,937	5,003,978	5,230,588	5,754,340
Charges for services	4,619,066	4,263,883	4,438,960	4,186,195	4,174,242
Fines and forfeitures	1,051,759	1,045,120	974,883	744,088	687,475
Interest revenue	223,601	395,351	766,951	655,698	83,401
Contributions and donations	119,719	47,495	422,631	115,007	173,334
Other revenues	202,836	205,127	207,784	656,247	638,422
Total Revenues	<u>\$49,674,547</u>	<u>\$52,605,010</u>	<u>\$58,966,706</u>	<u>\$63,367,639</u>	<u>\$67,903,824</u>
Expenditures					
Current:					
General government	\$12,529,121	\$14,745,595	\$14,298,332	\$16,167,367	\$18,450,984
Administration of justice	2,063,616	2,112,988	2,157,241	2,256,109	2,301,657
Public safety	15,206,095	16,510,580	17,947,213	21,675,582	20,369,784
Public works	5,612,657	5,528,950	5,479,025	5,733,934	6,404,447
Public health and welfare	6,803,861	7,280,243	7,618,327	8,054,393	8,293,700
Culture and recreation	3,705,234	3,732,165	3,671,713	3,491,866	3,768,096
Economic development	357,431	395,014	417,582	494,724	449,153
Capital outlay	---	---	---	---	---
Debt service:					
Principal	367,876	166,406	177,486	50,000	50,000
Interest	61,969	55,681	49,763	---	---
Total Expenditures	<u>\$46,707,860</u>	<u>\$50,527,622</u>	<u>\$51,816,024</u>	<u>\$57,923,975</u>	<u>\$60,087,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,966,687</u>	<u>\$ 2,077,388</u>	<u>\$ 7,150,024</u>	<u>\$ 5,443,664</u>	<u>\$ 7,816,003</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	\$ 232,575	\$ 154,875	\$ 24,600	\$ ---	\$ 177,960
Transfers in	30,015	78,715	31,870	30,828	31,594
Transfers out	(68,286)	(382,365)	(151,901)	(1,187,637)	(1,012,766)
Total other financing sources (uses)	<u>\$ 197,304</u>	<u>\$ (148,775)</u>	<u>\$ (95,431)</u>	<u>\$ (1,156,809)</u>	<u>\$ (803,212)</u>
Net Change in Fund Balance	\$ 3,163,991	\$ 1,928,613	\$ 7,054,593	\$ 4,286,855	\$ 7,012,791
Fund Balance, Beginning of Year	<u>\$27,427,996</u>	<u>\$30,591,987</u>	<u>\$32,520,600</u>	<u>\$39,575,193</u>	<u>\$43,862,048</u>
Fund Balance, End of Year	<u>\$30,591,987</u>	<u>\$32,520,600</u>	<u>\$39,575,193</u>	<u>\$43,862,048</u>	<u>\$50,874,839</u>

Sources: County's Comprehensive Annual Financial Reports for fiscal years ended June 30, 2017-June 30, 2020; County's Annual Comprehensive Financial Report for fiscal year ended June 30, 2021.

Commerce and Industry

Historically, the County's economy has been dominated by the textile industry. However, over the last decade it has become one of the most diverse economies in the State. The County's economy is drive by corporate headquarters, advanced manufacturing and mining operations. According to the South Carolina Department of Employment and Workforce, recent employment is highest in the category of the professional, scientific, and technical services industry. Manufacturing operations is the second highest component of the County's workforce.

The County's business community is exceptionally strong and is home to the headquarters for CompuCom Systems, Continental Tire the Americas, Founders Federal Credit Union, INSP Network, Movement Mortgage, Red Ventures and Sharonview Federal Credit Union. Advanced manufacturing operations are abundant and include Akzo Nobel, Cardinal Health, Fab Fours, Nutramax Laboratories, Oceana Gold, PCI Group and Silgan Containers.

The County is in the process of developing new industrial projects, especially in the SC 9 Corridor. Projects include a new 483-acre industrial park adjacent to the County's general aviation airport and a 100,000-square foot spec building at the Air Rail Park. These projects are less than an hour from Charlotte Douglas International Airport and downtown Charlotte via SC 9 and US 521 to I-485. Additionally, the County boasts affordable land in one of the fastest growing areas of Charlotte. The County is the fastest growing county in the Charlotte Region, second fastest in the State and thirty-second fastest in the United States. There are numerous new residential developments throughout the County as a result of the County's low taxes and the school system. In the past few years, the County has seen an increase in commercial development such as retail and restaurants.

In March 2022, U.S. Strapping Company, Inc., a division of FROMM Group, announced plans to expand its operations in the County with a \$34.6 million investment that will create 63 new jobs. The expansion, which is expected to be complete by March 2023, will allow the company to significantly increase its polyester strap manufacturing capacity.

In January 2022, Chief Buildings, a subsidiary of Chief Industries, Inc. and a premier metal building system manufacturer, announced plans to establish operation in the County. The company's \$22.1 million investment will create 102 new jobs over five years. The new state-of-the-art facility will expand the company's footprint in the Southeast and increase service to its authorized builder network.

In April 2021, VOCO America, Inc. announced plans to expand its operation in the County with a more than \$3.2 million investment that is expected to create 15 new jobs. The company's clinically customized and economical products are used by dentists and technicians in more than 110 countries around the world. The new, company-owned 16,000-square-foot facility will serve as the company's headquarters and include a state-of-the-art training center.

In March 2021, Studio Displays, Inc. announced plans to establish operations in the County. Studio Display, Inc. is a design company that specialized in the production and management of tradeshow displays, interior casework, museum exhibits and other custom events. The new 82,000-square-foot facility representing an investment of \$7.1 million will create 43 new jobs.

In March 2021, Basware, a Finland-based e-invoicing solutions provider for enterprises, announced plans to expand the company's North American headquarters in the County. The expansion, which is expected to be completed in 2023, will create approximately 15 new jobs.

In October 2020, Continental Tire the Americas, LLC, a manufacturer and distributor of premium tires, announced plans to expand the company's operations in the County. The expansion will include a new 88,000-square-foot building, which will be constructed next to the existing headquarters. The company is investing more than \$20 million into the expansion.

In October 2020, a global online retailer of area rugs and home décor to national and international customer announced plans to expand its operations in the County. Unique Loom's \$18.4 million expansion will increase the company's distribution capabilities by nearly doubling the size of its building with the construction of over 234,000 square feet of warehouse space and an additional 10,000 square feet of office space.

In October 2020, SynTech Design, announced plans to establish operations in the County. Established in 2020, the company provides 3D Building Information Modeling and design services to clients across the United States. The \$450,000 investment is expected to create 20 new jobs.

ClickFold Plastics, a custom plastics manufacturer, announced its plans to establish operations in the County in September 2020. The new \$1.5 million facility is projected to create 21 new jobs.

In June 2020, a leading food product innovation and manufacturing company announced plans to expand its operations in the County. The 75,000-square-foot expansion over two facilities will enable the company to significantly grow production and distribution capabilities for major fast food restaurants, food manufacturers and its private label packaging. The over \$9.4 million investment by McClancy Seasoning, is projected to create 108 new jobs, more than doubling the company's employment.

In February 2020, REMBE Inc. announced plans to locate its United States operations in the County. REMBE Inc. specializes in explosion protection and pressure relief for a wide variety of industries. The more than \$3.4 million investment is projected to create 22 new jobs.

In February 2020, Scientex Packaging Film, one of the world's largest producers of stretch film, announced plans to establish operations in the County with a \$43 million investment that is projected to create 69 new jobs. The new Scientex Packaging Film facility will be equipped with state-of-the-art machinery, incorporating the latest technology in cast stretch film as well as best in class utilities to support the production.

In August 2019, Adornus Cabinetry, LLC, a leading manufacturer and distributor of kitchen cabinets and bathroom vanities, announced its plans to establish manufacturing operations in the County. The more than \$10 million investment is expected to create 210 new jobs.

In July 2019, a United Kingdom-based world leader in developing, manufacturing and marketing advanced technology products for the construction industry announced the opening of its first United States manufacturing operations in the County. Don Construction Products' investment of \$6.2 in capital investments is expected to create 21 new jobs.

In December 2018, ServiceMac, a mortgage subservicing company, announced its plans to locate into a 100,000-square-foot office facility located in the County. The company's \$24 million capital investment is projected to create approximately 1,000 new jobs over five years.

In October 2018, Nutramax Laboratories, a leading manufacturer and marketer of nutritional supplement products for people and their pets, announced its plans to expand its existing buildings to accommodate additional corporate needs and increase its manufacturing capacity. The company's expansion constitutes an investment of \$20 million creating 225 jobs. This expansion is in addition to the company's January 2016 announcement of an investment of \$15 million creating 124 new jobs.

A \$2.8 million investment projected to create 139 new positions was announced by Synergy Steel in August 2018. Synergy Steel provides solutions to the housing and construction industry through the collaboration of light gauge steel manufacturing and innovative framing and panelization techniques. The company's new, 32,000-square-foot facility will manufacture steel studs, engineered floor and roof

trusses and wall panels for the construction industry. The process will involve a series of roller machines that will produce the final product, which will then be panelized before leaving the facility.

In December 2017, Fab Fours Inc., one of the largest aftermarket bumper manufacturers in the world, announced its plans to expand its operations in the County. The \$5.7 million capital investment is projected to create 88 new jobs. The company's expansion will involve a large-scale capacity expansion of new equipment and continuing product development.

The Blythe Company announced in October 2017 that it was expanding its headquarters and other operations into the County, bringing \$4 million of capital investment and leading to the creation of 21 new jobs. With more than 40 years of experience, The Blythe Company is a distributor and servicer of parts to a variety of industries, including the natural gas, oil and chemical markets. The Company's new 20,000-square-foot facility will include headquarters, sales and distribution operations, as well as a research and development service center.

Capital Investment

The following table sets forth the total announced capital investment for new and expanded industry within the County for the last five years for which information is available.

<u>Year</u>	<u>New Investment</u>	<u>New Employment</u>
2017	\$50,823,000	1,075
2018	88,800,000	1,479
2019	10,000,000	210
2020	85,850,000	256
2021	30,300,000	73
2022 ¹	867,00,000	365

¹ Through September 28, 2022.

Note: This table includes only those projects in which the South Carolina Department of Commerce was instrumental in bringing the project to the County.

Source: South Carolina Department of Commerce.

Labor Force

The composition of the nonagricultural labor force in the County, based on place-of-work basis, for the last five years for which information is available is as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Manufacturing	3,340	3,308	3,446	3,456	3,062
Construction	1,438	1,437	(D)	1,556	(D)
Mining	(D)	(D)	(D)	(D)	(D)
Forestry & Fishing	(D)	(D)	(D)	(D)	(D)
Transportation & Public Utilities	(D)	(D)	(D)	(D)	(D)
Wholesale & Retail Trade	4,333	4,534	4,666	5,075	5,140
Information	511	545	489	506	497
Finance, Insurance & Real Estate	3,160	3,387	3,563	2,771	2,841
Services	16,205	16,255	16,817	17,820	16,816
Government	<u>4,106</u>	<u>4,194</u>	<u>4,283</u>	<u>4,882</u>	<u>4,915</u>
TOTAL	33,990	34,711	35,862	37,313	36,173

((D) – Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

Note: Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The labor force participation rates of residents of the County (regardless of place of employment) for the five calendar years shown are as follows:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Civilian Labor Force	38,564	39,249	40,847	42,172	42,926
Employment	36,799	37,781	39,502	39,386	41,056
Unemployment	1,765	1,468	1,345	2,786	1,870

¹Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households and unpaid family workers.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Retail Sales

The following table shows gross retail sales for businesses located in the County for the last five years for which information is available:

<u>Year</u>	<u>Gross Retail Sales</u>
2017	\$1,566,209,828
2018	1,691,044,261
2019	1,876,379,382
2020	1,891,111,005
2021	2,685,995,534

Source: South Carolina Department of Revenue.

Principal Employers

The following table shows the top employers located within the County, type of business, and approximate number of employees:

<u>Name</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Lancaster County School District	Education	1,864
Red Ventures	Marketing	1,758
Movement Mortgage	Banking	825
MUSC (Springs Memorial Hospital)	Healthcare	725
Continental Tire	Manufacturing – Corporate Office	657
Lancaster County ¹	Government	654
Nutramax Laboratories	Manufacturing	620
Oceana Gold	Mining	501
Founders Federal Credit Union	Banking	348
KEER America	Manufacturing	308

¹ Does not include part-time employees.

Source: County's Annual Comprehensive Financial Report for the year ended June 30, 2021.

Construction Activity

The following table shows the number of building permits issued by the County for new, privately-owned, single-family residential units and new commercial properties along with the approximate cost of new construction represented by those permits in each of the last five years.

<u>Year</u>	<u>Residential</u>	<u>Construction</u>	<u>Commercial</u>	<u>Construction</u>	<u>Total</u>	<u>Total</u>
	<u>Permits</u>	<u>Cost</u>	<u>Permits</u>	<u>Cost</u>	<u>Permits</u>	<u>Construction Cost</u>
2016	924	\$276,979,728	175	\$247,043,441	1,099	\$437,887,541
2017	963	308,586,795	156	114,675,151	1,119	423,261,946
2018	999	330,795,021	228	198,148,354	1,227	528,943,375
2019	1,407	475,508,971	146	173,796,649	1,553	649,305,620
2020	1,420	507,373,426	155	196,151,155	1,575	703,524,581

Source: Lancaster County Building Department.

Per Capita Personal Income

The per capita income in the County for each of the last five years for which information is available is shown below, along with figures for the State and the United States.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2016	\$44,080	\$40,744	\$49,812
2017	47,734	42,296	51,811
2018	50,863	43,711	54,098
2019	50,584	45,455	56,047
2020	52,999	48,838	59,510

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Median Household Income

The following table shows the estimated median family income for the County, for each of the past five years for which information is available. Figures for the State and the United States are included for comparison purposes.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2018	\$56,800	\$62,500	\$71,900
2019	74,700	65,400	75,500
2020	79,000	66,300	78,500
2021	73,300	68,700	79,900
2022	77,300	78,400	90,000

Note: Information is only available for the Lancaster County, SC HUD Metro FMR Area, which includes the County.

Source: U.S. Department of Urban Development, Economic and Market Analysis Divisions.

Unemployment Rates

The average unemployment rate in the County, State, and United States for each of the last five years for which information is available is shown below.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2017	4.2%	4.6%	4.4%
2018	3.4	3.8	3.9
2019	2.8	3.3	3.7
2020 ¹	6.0	6.6	8.1
2021	4.0	4.4	5.3

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The average unemployment rate in the County for each of the last 12 months for which data is available is shown below.

<u>Date</u>	<u>Rate</u>
September 2021	3.9%
October 2021	3.9
November 2021	3.7
December 2021	3.8
January 2022	4.4
February 2022	4.7
March 2022	3.8
April 2022	3.0
May 2022	3.4
June 2022	3.7
July 2022	3.5
August 2022	3.6 ^P

^P Preliminary.

Source: U.S. Department of Labor, Bureau of Labor.

Population Growth

The following table illustrates the population growth of the County. Population statistics for the State and the United States are included for comparison purposes.

	<u>Lancaster County</u>		<u>South Carolina</u>		<u>United States</u>	
	<u>Population</u>	<u>% change</u>	<u>Population</u>	<u>% change</u>	<u>Population</u>	<u>% change</u>
1980	53,361	--	3,121,820	--	226,545,805	--
1990	54,516	2%	3,486,703	12%	248,709,873	10%
2000	61,351	13	4,012,012	15	281,421,960	13
2010	76,652	25	4,625,364	15	308,745,538	10
2020	96,016	25	5,118,425	11	331,449,281	7
2021 ¹	100,336	4	5,190,705	1	331,893,745	<1

¹ Estimated

Source: U.S. Department of Commerce, Bureau of the Census.

The 2010 Census population and the 2020 Census population of the incorporated municipalities located in the County are set forth in the table below:

<u>Municipality</u>	<u>2010 Census</u>	<u>2020 Census</u>
Town of Heath Springs	790	742
Town of Kershaw	1,803	1,693
City of Lancaster	8,526	8,460
Town of Van Wyck	N/A	848

Source: U.S. Department of Commerce, Bureau of the Census.

Transportation Facilities

The County is served by interstate highways I-20, I-77, I-85, I-277 and I-485, U.S. Highways 521 and 601, and several State highways. The L&C Railway is a privately owned short-line railroad based in Lancaster, offering customized rail freight service and connecting to the national rail network through CSX and Norfolk Southern. The nearest commercial airport is Charlotte-Douglas International Airport.

Healthcare Services

Lancaster Medical Center (formerly Springs Memorial Hospital), a division of the Medical University of South Carolina, offers 225 beds and 120 physicians and care team members. Lancaster Medical Center offers acute care, diagnostic services, women's health, orthopedic services, cardiac services, general and laparoscopic surgery, rehabilitation, emergency treatment and wound care. Lancaster Medical Center is an Accredited Chest Pain Center as designated by The American College of Cardiology, as well as a Primary Stroke Center as designated by The Joint Commission. In addition, two healthcare systems in Charlotte have significant facilities in Mecklenburg and Union Counties which are utilized by residents of the County.

Higher Education

The University of South Carolina Lancaster ("USC Lancaster"), a two-year regional campuses of the University of South Carolina (the "University"), offers University programs to a service area of six counties, including the County. The Fall 2021 headcount enrollment was 1,729.

York Technical College is a public, two-year, associate degree granting institution that serves an area of three counties, including the County. York Technical College offers academic programs and continuing education. The Fall 2021 headcount enrollment was 3,835.

Recreation

Lancaster County Parks and Recreation ("LCPR") operates lighted sports playing fields, walking tracks, tennis courts, playgrounds and picnic shelters, and a swimming pool used for swim team competitions. LCPR conducts team sports, after-school programs, summer camp, and sports camps.

The 360-acre Andrew Jackson State Park features a 25-site family campground, a seven-acre fishing lake with rental boats, picnic shelters, nature trails, a playground, and a 7,500-square-foot outdoor amphitheater.

Financial Institutions

According to the Federal Deposit Insurance Corporation, as of June 30, 2022, there were 10 branches of commercial banks in the County, with deposits at all institutions totaling approximately \$879 million. The continuing reorganization of the banking system in the United States, with its attendant mergers and consolidations, is likely to affect the total number of branch offices in the County.

EXHIBIT 1 TO APPENDIX I

**Lancaster County Annual Comprehensive Financial Report
for Fiscal Year Ended June 30, 2021**

NOTE: THE INCLUSION OF THIS EXHIBIT 1 TO APPENDIX I IS FOR GENERAL INFORMATION ONLY AND DOES NOT IMPLY IN ANY WAY THAT THE COUNTY (OR ITS GENERAL FUND) IS RESPONSIBLE FOR THE PAYMENT OF THE 2022 BONDS, EXCEPT FROM THE PLEDGED REVENUES PURSUANT TO THE INDENTURE.