



Marion County, South Carolina

Proposed Series 2013 General Obligation Sales Tax Bonds

Prepared by:

DAVENPORT
& COMPANY LLC
EST. 1863 • MEMBER: NYSE • FINRA • SIPC

February 13, 2012

Financing Overview

- Marion County (the “County”) is considering a potential issuance of Capital Project General Obligation Sales Tax Bonds (the “Bonds”).
- The County’s sales tax revenue stream would be used to make the debt service payments on the Bonds.
- The analysis below assumes the County issues \$8,905,000. The proceeds from the sale would be used to fund projects totaling approximately \$9,473,485. Due to a decrease in interest rates, the deposit to the Project Fund has increased by approximately \$47,000 since January 9th.

Sources and Uses of Funds
 Marion County, South Carolina
 Capital Project General Obligation Sales Tax Bonds, Series 2013
 Assumes Market Rates as of February 10, 2012
 'A' Rating (MMD +55bps)

Sources:

Bond Proceeds:

| | |
|------------|--------------|
| Par Amount | 8,905,000.00 |
| Premium | 769,178.05 |
| | 9,674,178.05 |

Uses:

Project Fund Deposits:

| | |
|--------------|--------------|
| Project Fund | 9,473,485.55 |
|--------------|--------------|

Delivery Date Expenses:

| | |
|------------------------|--------------|
| Cost of Issuance | 125,000.00 |
| Underwriter's Discount | 75,692.50 |
| | 200,692.50 |
| | 9,674,178.05 |

Note: Assumes an 'A' Rating. The County does not currently have a General Obligation Rating.

Financing Overview

- The Bonds would be sized for annual debt service payments equal to the projected sales tax revenues.

| FYE | A Taxable Sales (Excludes 30-Jun Unprepared Food) | B Tax Rate | C Total Sales Tax Receipts | D Less: DOR Collection Fee (1%) | E Total Sales Tax Revenues Available For Debt Service | G H J Total New Debt Service Series 2013 General Obligation Bonds | | | K Remaining Revenues After Debt Service | L Debt Service Coverage Ratio |
|------|--|---------------|-------------------------------------|---------------------------------------|--|---|--------------------|---------------------|--|-------------------------------------|
| | | | =A*B | =C*1.0% | =C+D | Principal | Interest | Debt Service | =E-J | =E / J |
| 2011 | \$132,063,079 | 1.00% | \$1,320,631 | -13,206 | \$1,307,424 | | | | | |
| 2012 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | | | | | |
| 2013 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | | | | | |
| 2014 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 995,000 | 308,950 | 1,303,950 | 3,474.48 | 1.00 |
| 2015 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 1,025,000 | 279,100 | 1,304,100 | 3,324.48 | 1.00 |
| 2016 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 1,055,000 | 248,350 | 1,303,350 | 4,074.48 | 1.00 |
| 2017 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 1,090,000 | 216,700 | 1,306,700 | 724.48 | 1.00 |
| 2018 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 1,120,000 | 184,000 | 1,304,000 | 3,424.48 | 1.00 |
| 2019 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 1,160,000 | 144,800 | 1,304,800 | 2,624.48 | 1.00 |
| 2020 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 1,205,000 | 98,400 | 1,303,400 | 4,024.48 | 1.00 |
| 2021 | 132,063,079 | 1.00% | 1,320,631 | -13,206 | 1,307,424 | 1,255,000 | 50,200 | 1,305,200 | 2,224.48 | 1.00 |
| | | | | | Totals | \$8,905,000 | \$1,530,500 | \$10,435,500 | | |

Note: FY2011 Taxable Sales represents actual results. FY2012-21 assumes 0% growth in Total Taxable Sales.

Davenport's experience in South Carolina

- The professionals at Davenport have served as Financial Advisor to numerous entities throughout South Carolina. Below is a list of their representative experience.

- *State of South Carolina, General Obligation Bonds*
- *South Carolina Department of Transportation, General Obligation Bonds*
- *Abbeville County, Recovery Zone Economic Development GO Bonds*
- *Anderson Regional Joint Water System, Revenue Bonds*
- *Beaufort Jasper Water & Sewer Authority, Revenue Bonds*
- *Broad Creek Public Service District, SC (Hilton Head Island)*
- *Charleston County, General Obligation and Sales Tax Bonds*
- *Charleston County, General Obligation Bonds*
- *City of Florence, General Obligation Bonds*
- *City of Florence, Water and Sewer System Revenue Bonds*
- *City of Fort Mill, Water System Revenue Bonds (in process)*
- *City of Greenville, General Obligation Bonds*
- *City of Greenville, Sewer System Revenue Bonds*
- *City of Greenville, Stormwater Revenue Bonds*
- *City of Greenville, Tax Increment Financing Bonds*
- *City of Greenville, Hospitality Sales Tax Revenue Bonds*
- *Clarendon Memorial Hospital District, Revenue Bonds*
- *Clarendon Memorial Hospital District, General Obligation Bonds*
- *Darlington Water & Sewer Authority, Water/Sewer System Revenue Bonds*
- *Dillon County Board of Education, Certificates of Participation*
- *Florence County, General Obligation Bonds*
- *Florence County, Installment Purchase*
- *Greenwood County, General Obligation Bonds*
- *Horry County, General Obligation Bonds*
- *Isle of Palms, SC, Public Works Revenue Bonds*
- *Kershaw County School District, Installment Purchase Bonds*
- *Laurens County School District #55, Bond Anticipation Notes*
- *Laurens County School District #56, Bond Anticipation Notes*
- *Laurens County School District #56, General Obligation Bonds*
- *Lexington County Medical Center, Hospital System Revenue Bonds*
- *Newberry County School District, Bond Anticipation Notes*
- *North Charleston Sewer District, General Obligation Bonds*
- *North Charleston Sewer District, Revenue Bond planning (in progress)*
- *Orangeburg Regional Medical Center, Hospital System Revenue Bonds*
- *Patriots Energy Group, Gas Revenue Bonds*
- *Richland County School District #2, General Obligation Bonds*
- *Town of Seabrook Island, Water and Sewer Revenue Bonds*
- *South Carolina State Ports Authority*
- *St. Johns Fire District, General Obligation Bonds*

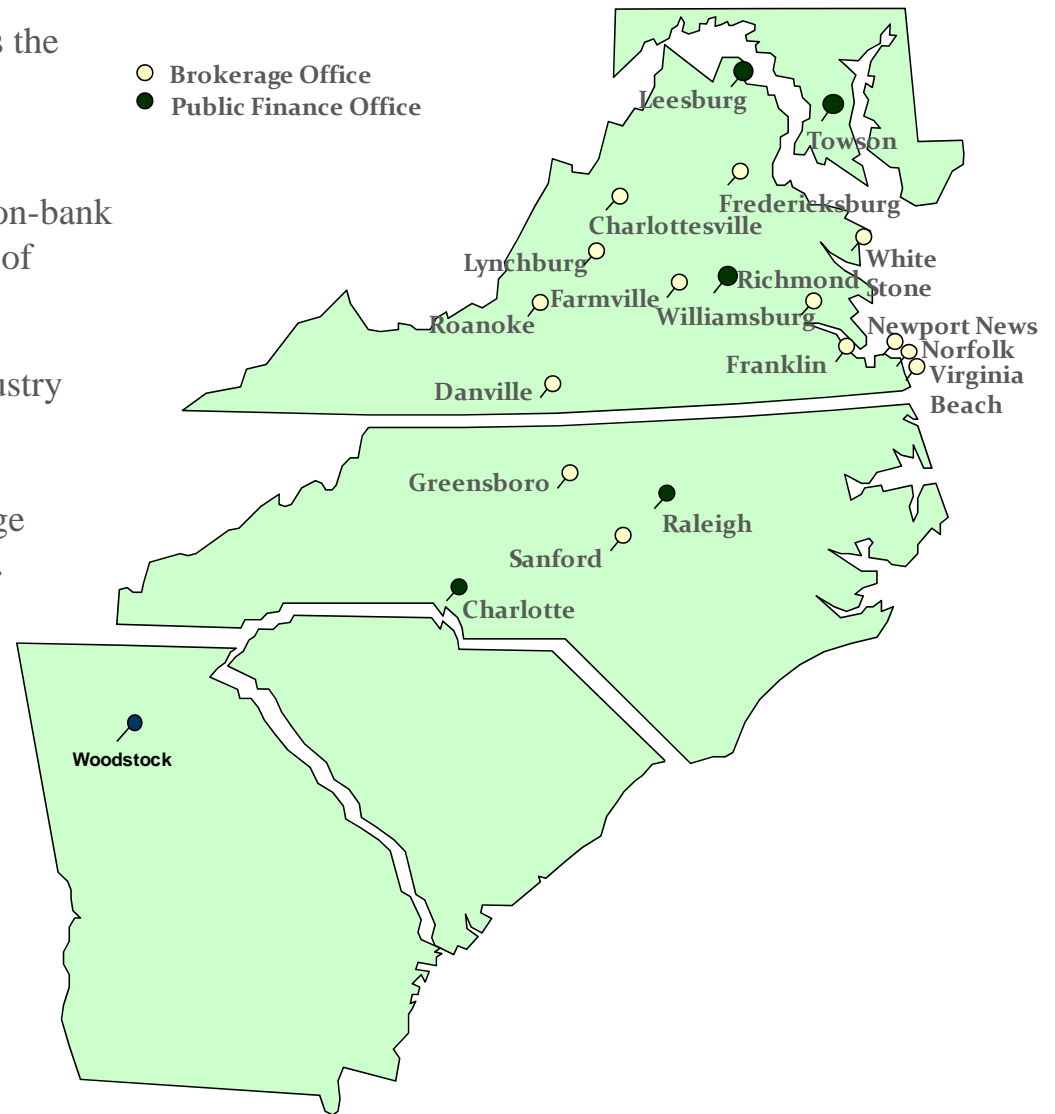
About Davenport & Company LLC

- Founded over 145 years ago in Richmond VA, Davenport & Company is an investment firm focused on serving the needs of clients in South Carolina, North Carolina, Georgia, Virginia and Maryland.
- The culture of the firm, with its focus on integrity and client service, has resulted in a special kind of investment firm that has prevailed while others, large and small, have failed or merged in order to survive.
- In 1921 Coleman Wortham Sr., a great-nephew of the founder, became president of the firm and purchased a seat on the New York Stock Exchange.
- Today, Davenport & Company employs over 425 people working in 18 regional offices.
- The firm runs a robust organization that includes services in Corporate and Public Finance, Fixed Income, Investment Advisory, Institutional Sales, and personal wealth management.
- Davenport continues to uphold its solid reputation for attention to detail and personal service.



About Davenport & Company LLC

- Davenport is owned by its employees, and is the oldest independent securities brokerage firm headquartered in Virginia.
- Davenport & Company prides itself on its non-bank affiliated organization that serves thousands of investors nationwide.
- Davenport is a member of the Financial Industry Regulatory Authority, the New York Stock Exchange, the Securities Investor Protection Corporation, and is a Securities and Exchange Commission Registered Investment Advisor.



Financial Advisory Services

- We provide our clients with a comprehensive range of financial advisory services.
 - Debt Capacity Analysis
 - Revenue Impact Analysis
 - Capital Improvement Programming
 - Capital Improvement Financing Strategies
 - Peer Comparative Analysis
 - Historical Trend Analysis
 - Budget Modeling
 - Debt Structuring
 - Debt Refunding Analysis
 - Cash Flow Analysis
 - Public Offerings
 - Private Placements
 - Investment of Bond Proceeds
 - Investment Strategy for Operating Funds
 - Fiscal Policy Guidelines
 - Insurance Break-Even Analysis
 - Public/Private Partnerships
 - Operating Cash Flow Modeling
 - Derivative Advisory Services
 - Cost Benefit and Risk Analysis

Top Ranked Financial Advisory Firm in the Region

- Year in and year out, Davenport has consistently ranked first or second in the Mid-Atlantic region as a financial advisor to public finance issuers.
- In 2010, Davenport served as Financial Advisor on more than \$2.02 billion of transactions in South Carolina, North Carolina, Virginia, and Maryland.

| Top Financial Advisors: Full Year 2010 South Carolina: All Publicly Placed Issues | | |
|--|------------------------------------|--------------|
| Rank | Company | Transactions |
| 1 | Ross Sinclair | 65 |
| 2 | Davenport & Company LLC | 7 |
| 3 | Public Financial Management | 6 |
| 4 | Southern Municipal Advisors | 5 |
| 5 | Barclays Capital | 3 |
| 6 | Merchant Capital | 3 |
| 7 | Municipal Advisory Group | 3 |
| 8 | FirstSouthwest | 2 |
| 9 | Kaufman Hall | 2 |
| 10 | Independent Financial Advisors | 2 |

Source: Thomson Financial

| Top Financial Advisors: 2011 (Jan. through Oct.) South Carolina: All Publicly Placed Issues | | |
|--|------------------------------------|--------------|
| Rank | Company | Transactions |
| 1 | Ross Sinclair | 30 |
| 2 | Public Financial Management | 7 |
| 3 | Davenport & Company LLC | 7 |
| 4 | Public Resources | 6 |
| 5 | Merchant Capital | 4 |
| 6 | Wells Fargo Securities | 3 |
| 7 | Municipal Advisory Group | 2 |
| 8 | Barclays Capital | 1 |
| 9 | Ponder | 1 |
| 10 | FirstSouthwest | 1 |

Source: Thomson Financial